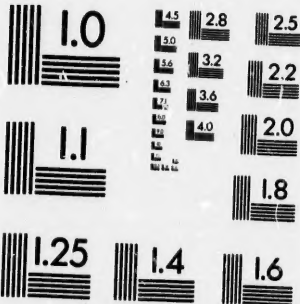


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REPORT

OF THE

"BETTER TERMS" DELEGATION

OF

NEW BRUNSWICK.

1871.

LAI D BEFORE BOTH BRANCHES OF THE LEGISLATURE, BY
COMMAND OF THE LIEUTENANT GOVERNOR.

SAINT JOHN N. B.:

J. & A. McMILLAN, PRINTERS, 78 PRINCE WILLIAM STREET.

1872.



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OF THE
"BETTER TERMS" DELEGATION
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REPORT

OF THE

"BETTER TERMS" DELEGATION OF NEW BRUNSWICK, 1871.

To His Excellency the Honorable LEMUEL ALLAN WILMOT, D. C. L.,
Lieutenant Governor of the Province of New Brunswick, &c. &c. &c.

MAY IT PLEASE YOUR EXCELLENCY,—

On the second day of June last, THE UNDERSIGNED had the honor to receive from Your Excellency in Council, appointment as Delegates to proceed to Ottawa, to confer with the Honorable the Privy Council of Canada, on the subject of the claims of the Province of New Brunswick to, "*Better Terms*," as a portion of the Dominion under the Constitution of 1867.

As soon as Your Excellency's pleasure was communicated to them, the Undersigned placed themselves in readiness to enter upon their Mission, and opened correspondence with the Honorable Mr. TILLEY, C. B., Minister of Customs, for the purpose of ascertaining at what time it would be most convenient for the Honorable the Privy Council to receive them.

Pursuant to information received from him, the Undersigned met at Ottawa on Saturday the seventh day of October instant, and were courteously assigned a room in the Departmental Buildings, the more conveniently to attend to the business of their Mission.

They immediately transmitted to the Honorable Mr. Howe, Secretary of State for the Provinces, a Letter under date of the second day of October, disclosing the nature of their appointment, and setting forth some of the claims of New Brunswick upon the Government and Parliament of the Dominion for "*Better Terms*."

They have the honor to submit to Your Excellency a copy of that Letter, as follows:—

FREDERICTON, NEW BRUNSWICK,

2nd October, 1871.

To The Honorable JOSEPH HOWE,
Secretary of State for the Provinces, &c. &c.
Ottawa, Canada.

SIR,—

You are, no doubt, already aware, that at the last Session of the Legislature of the Province of New Brunswick,

RESOLUTIONS

were unanimously passed by the House of Assembly, affirming that

“Whereas the Province of New Brunswick accepted the Scheme of Confederation in good faith, and distinctly on the terms fixing the rights and claims respectively of the Maritime Provinces of Nova Scotia and New Brunswick agreed upon by their Delegates and approved by their Legislatures, and ratified by the Imperial Parliament by “*The British North America Act 1867*,” and, in the opinion of this Honorable House, the claims and financial status of the Province of Nova Scotia in the Dominion should not have been improved without at the same time granting and securing to this Province a proportionate advance; and by granting to the Province of Nova Scotia increased subsidies and more advantageous terms, without increasing the subsidy and improving the financial terms secured to this Province, the fundamental provisions of *The British North America Act*, and the solemn compact entered into with the people of New Brunswick, have been re-opened and materially altered;

“And whereas the Province of New Brunswick is therefore justly entitled —and should respectfully demand—to have provision made for it, to the same extent and value, effect and amount, as the better terms so granted to Nova Scotia are in excess of those actually provided for and granted to the said Province by *The British North America Act*;

“And whereas also the terms granted to the North West Territory, and offered to Newfoundland and British Columbia, are proportionately largely in advance of those given to this Province, and appear to have been completed on a basis entirely different from that on which the Scheme of Confederation was arranged and agreed to; and the arrangements entered into with this Province, subjected to the terms subsequently made with Nova Scotia, and offered to British Columbia and Newfoundland, are inadequate to meet the actual and pressing requirements,—and must, in the opinion of this House, fall far in arrear of the future exigencies,—of this Province; therefore

" *Resolved*, That it is the imperative duty, and should be a part of the fixed policy of the Government of this Province, to press by every constitutional means upon the Government and Parliament of this Dominion, the right of this Province to, and firmly endeavor to secure, better terms under *The British North America Act*; and also, an advance upon the terms originally granted to this Province to as full an extent as the increased subsidies and better terms subsequently granted to Nova Scotia are in excess of the subsidies and terms actually secured to that Province by *The British North America Act*."—[*Journals of House of Assembly of N. B.* 1871, pp. 153, 195.]

The following Resolutions were also unanimously carried by the Legislative Council of the Province during the same Session:—

" *Whereas* at a Conference of Delegates for the Provinces of Canada, Nova Scotia, and New Brunswick, held at Westminster Palace Hotel, London, December the 24th, 1866, it was resolved that the position of New Brunswick being such as to entail large immediate charges upon her local revenues, it was agreed that for the period of ten years from the time when the Union should take effect, she would receive an additional allowance of sixty three thousand dollars per annum,—which was in addition to her annual subsidy of eighty cents per head on her population, and fifty thousand dollars for the support of her local government;

" *And whereas* it appears from the Public Accounts of the Dominion of Canada for the year ended June 30th, 1870, that New Brunswick is indebted to the Dominion in the sum of five hundred and seventy six thousand two hundred and ninety eight dollars, which, under the provisions of *The British North America Act* 1867, shall draw interest at the rate of five per cent. per annum, and shall be deducted from the Provincial Subsidy, thereby reducing the same nearly thirty thousand dollars;

" *And whereas* the financial condition of this Province is such, that it is highly desirable and expedient that there should be no reduction in the subsidy at present paid to New Brunswick, in consequence of interest accruing on her Public Debt, but on the contrary a reasonable additional allowance should be made, commensurate with her position;

" *And whereas* it appears by an Act made and passed in the 32nd and 33rd years of Her present Majesty's Reign, entitled *An Act respecting Nova Scotia*, it was deemed just and expedient to add to the sums payable to the Province of Nova Scotia under *The British North America Act* 1867; therefore

" 1. *Resolved*, As the opinion of this House, that the additional allowance of sixty three thousand dollars mentioned, is entirely insufficient to meet the large immediate charges referred to by the Conference.

" 2. *Resolved*, That the amount of debt—seven millions of dollars—with which New Brunswick was allowed to enter the Union, is not proportional with the heavy liabilities she incurred in Public Works, which are now the property of the Dominion.

" 3. *Resolved*, That before any reduction is made to the annual subsidy to New Brunswick, in consequence of interest accruing on her Public Debt,

"due consideration should be given to the propriety of placing her in the same position as the *Maritime* Province of Nova Scotia, in regard to the amount of debt with which she entered the Union.

"4. *Resolved*, That an additional subsidy, proportionate to the sum allowed to Nova Scotia, under the provisions of the above recited Act relating to Nova Scotia, should be also allowed to New Brunswick from the Dominion Treasury."—[*Journals of the Legislative Council of N. B.* 1871, pp. 21, 66.

Immediately upon the passage of the Resolutions recited, they were presented to His Excellency the Lieutenant Governor of New Brunswick, "with an humble Address, praying that His Excellency may be pleased to cause such steps to be taken as may give effect" to them.

On the second day of June last, the Undersigned had the honor to receive from His Excellency the Lieutenant Governor of New Brunswick in Council, appointment as Delegates to proceed to Ottawa on the subject of the action of the Legislature referred to above,—and also generally to consider the abstract right of this Province to *Better Terms* as a Member of the Dominion,—and to submit for the consideration of His Excellency the Governor General in Council, a statement of the present position, and an estimate of the probable future exigencies of the Province,—in the light of the Act of Confederation.

THE NOVA SCOTIA READJUSTMENT.

It may be desirable at the outset to affirm that, in the execution of the responsible trust confided to them, the Undersigned do not conceive it to be their duty to present any thing in the nature of complaint or grievance because *Better Terms* have been conceded to Nova Scotia. If, upon a reconsideration of the financial branch of the Scheme of Confederation and the Act of Union, it appeared injustice was done to the sister Province, or that the original terms concluded to her were insufficient to provide comfortably and efficiently for the public services customarily provided for, and at the same time to proceed with the development of the resources committed to the care of the local Government, no objection to the readjustment need be started, whatever considerations may have been urged on the subject of the inadvisability of reopening the question, and whatever objections may be raised as to the terms of the final result. For, it having been established, both by the positive action of the Canadian Parliament, and the official decision of the Crown, (see *Lord Granville's Despatch*) that it falls legitimately within the prerogative of that Parliament to reopen and readjust the Scheme, the Imperial Act to the contrary notwithstanding, it could serve no good purpose to proceed with any argument on that point. The Undersigned, however, feel called upon to refer to these matters, that it may distinctly appear of record that, in their presentation of the case of the Province of New Brunswick,—and in their institution of "comparisons" between that Province and Nova Scotia, or any other portion of the Dominion,—and in their allusions to the Accounts as they exist between those Provinces and the Dominion,—and to the "Correspondence and Negotiations connected with the affairs of Nova

Scotia,"—they are impelled by no unfriendly spirit. It is their desire in this procedure,—while reserving any opinions they may have entertained while the "Negotiations" were pending,—simply to ascertain, by legitimate comparisons and considerations, how far the Province in whose interest they are acting is entitled, from a New Brunswick point of view—from a Dominion stand-point—and from the position now secured to Nova Scotia,—to *Better Terms* under the Constitution.

THE SPIRIT OF THE NOVA SCOTIA NEGOTIATIONS.

The Undersigned, as they proceed with their enquiries, will therefore take the liberty to refer to the "Correspondence" with Nova Scotia, as laid before the Dominion Parliament.

When the PREMIER of Canada, under date of the 6th day of October 1868, opened the Correspondence with the Hon. Mr. HOWE, and referring to the Despatch of the DUKE OF BUCKINGHAM to LORD MONCK under date of 4th day of June preceding, he remarked that the DUKE OF BUCKINGHAM "expresses a confidence," which the PREMIER declares to be well founded, "that it will be the care and wish of the Government, and of the Parliament of the Dominion, to relax or modify any arrangements which may prejudice the peculiar interests of Nova Scotia and the Maritime portion of the Dominion." And the PREMIER proceeds to say, under the same date :—

"On this point I can only repeat what I stated before the Committee, that the Canadian Government is not only ready, but anxious to enter upon a frank and full discussion of these points, and are prepared, in case the pressure of taxation should be shewn to be unequal or unjust to Nova Scotia, to relieve that pressure by every means in their power. They are also ready to discuss any Financial or Commercial questions that may be raised by the Nova Scotia Government, or yourself, and the Representatives of Nova Scotia to the Parliament of the Dominion. * * * And I now reiterate the assurance I then gave, that the Government here will consider the question not in a rigid, but in the most liberal spirit, with a desire to do even more than justice, for the sake of securing the co-operation of the people of Nova Scotia in the work of the new Constitution. We will enter upon this enquiry whenever it suits your convenience, and the Canadian Government engage to press upon Parliament, with all the influence they possess, the legislation required to carry out any Financial readjustment that may be agreed upon. * * * It is so obviously the interest of the Government and Parliament of the Dominion that the Union should work satisfactorily, that the Nova Scotia Representatives may rest well assured of every suggestion of theirs being fully considered."—[*Nova Scotia Correspondence*.]

These eminently correct principles the Undersigned desire shall be applied to the case of the Province of New Brunswick; not that they seek "more than justice," but simply that liberal and just consideration which shall secure a willing continuance of that cordial "co-operation" which the people of New Brunswick have ever accorded to "the work of the new Constitution," and at the same time maintain to them "fortunes adapted to the exigencies of their stations."

NEW BRUNSWICK BEFORE AND AFTER UNION.

It may not be out of place at this point to remark, that the Province of New Brunswick, by popular vote and in good faith, frankly accepted that Constitution at a time when she was, as will hereafter appear, in a position to conduct comfortably the affairs of her Government, and fully meet the requirements of the public service, under her then existing relations. The Undersigned do not claim that when New Brunswick entered "the Partnership," as it is called by Mr. Auditor General LANGTON, she was not actuated by a desire to better her condition, or that apart from such a purpose she would have embarked in the proposed venture. But they do claim, that New Brunswick was largely impelled by a consideration of the Imperial and Canadian policy of the day,—the declaration of the British Government by the pen of the DUKE of BUCKINGHAM, that "the measure is important to the interests of the whole Empire,"—and by the anxiety of her people to consolidate under one form of General Government the British North American Colonies, participating in the traditions and enjoying the protection of the Mother Country. When it is remembered, also, how much at that time depended upon the action of New Brunswick;—that His Excellency the Lieutenant Governor of Nova Scotia had declared, that the previous adverse vote in New Brunswick had "effectually dismissed the subject from discussion in Nova Scotia, because no Federal Union of Nova Scotia with Canada was feasible so long as New Brunswick declined to form part of such Federation;"—[*Despatch of 10th April 1865.*],—that the Hon. Dr. TUPPER has admitted, that "lying as New Brunswick does between Nova Scotia and Canada, rendering union with Canada impossible without the concurrence of New Brunswick—the consideration of the question was postponed to the Legislature of Nova Scotia, on the ground that immediate Union was then made impracticable;"—[*Hon. Dr. Tupper's London Letter, 1866.*],—that New Brunswick was financially and constitutionally prosperous in her isolation; that her people were contented under the existent form of Government; that she enjoyed all the privileges arising from Responsible Government and an independent Legislature under the British Crown, and was comparatively free from many of those political disturbances, "dead-locks" and crises which were of frequent occurrence in other Provinces; that the proposition for a General Confederation of the Colonies was submitted to her, [*Lord MONCK's Despatch, 30th June 1864; and Minutes of Ex. Council, Canada, 23rd September, 1864.*] and not sought by her, and was accepted in good faith, with many objectionable features, by a process of "compromise," [*Attorney General MACDONALD's Speech, Ontario Legislature,*] and at a time when she might have largely dictated her own terms; and that, "in view of the Resolutions passed at the Quebec Conference in favor of a Confederation of the British North American Provinces," the Charlottetown Conference "decided to postpone the consideration of a Legislative Union of the Maritime Provinces;"—[*Proceedings Ch. Conf. 3rd Nov. 1864.*],—and when to all these grave considerations is added the fact, that the people of New Brunswick have ever been anxious for the successful operation of the new Con-

stitution—it is thought New Brunswick may most confidently claim at the hands of the Dominion Government and Parliament, the largest and most liberal discussion of her case, present and prospective. Now, notwithstanding these premises, the people of New Brunswick,—speaking by the unanimous voice of both branches of the Legislature and by the Press of all shades of political opinion,—are deeply impressed with the conviction, that *Better Terms* are not only justly due the Province, but that, unless concessions are made to it, the Local Government will be unable to carry on public affairs nearly as comfortably and efficiently as before Confederation,—to provide for services customarily provided for,—and foster and develop the internal industries and resources committed to its charge. But more than this: they will be compelled soon, and long before the temporary subsidy of \$63,000 is withdrawn, to resort to a system of *Direct Taxation*, unknown to our history, repugnant to our people, and against which it was claimed in 1866 Confederation would be a sure barrier and guarantee. Thus will be absolutely negated the reasonable expectations of the People, and “the earnest hope” of the British Government, “that the arrangements may not be of such a nature as to increase, at least in any considerable degree, the whole expenditure, or make any material addition to the taxation, and thereby retard the internal industry, or tend to impose new burdens on the Commerce of the Country.” [Mr. CARDWELL’s *Despatch*, 3rd Dec. 1864.]—Indeed we may feelingly make the language of the late Finance Minister, Sir JOHN ROSE, on Nova Scotia affairs, our own, for New Brunswick “disclaims any desire to seek financial concessions which are not warranted on grounds of strict justice, or any modification of the original terms of Union which would place” *New Brunswick* “otherwise than on a footing of equality with the rest of the Dominion, or beyond what would enable the Province to meet the expenditure indispensably necessary to carry on its local affairs *without having a recourse to a system of Direct Taxation, new to its inhabitants, and to which neither of the other Provinces is required to subject its people.*”—[*Nova Scotia Correspondence*.]—And that the importance attached to the matter of Taxation, in relation to Nova Scotia, may be appreciated, the Undersigned present the following Extracts relating to that point, *seriatim* :—

Sir JOHN ROSE said—“It is further urged, that notwithstanding the increase on her burdens, the total amount received by her from the Dominion Treasury, and from the Provincial sources of Revenue and the Assets reserved to her, fall far short of what she formerly had, and are less indeed than is necessary to carry on the Government, and provide for the local services which the Constitution has assigned to her.”—[*N. S. Correspondence*.—From the statements thus adverted to, it would seem to follow: * * * 6th. That the local sources of Revenue at present possessed by Nova Scotia, are inadequate to carry on the services devolving on the Province.”—[*Ibid*.]

Mr. LANGTON said—“The final point which is discussed in Mr. McLellan’s Letter, is a most important one for Nova Scotia, and is indeed the basis of the whole question between us, viz: has Nova Scotia the means of carrying on the necessary local expenditure, without having recourse to direct taxation,

"or some other means of raising the requisite revenue, over and above what it will have to contribute towards the General Government."—[*N. S. Correspondence.*] * * * "The statement appears to me to be conclusive as to the impossibility of Nova Scotia carrying on its ordinary expenditure under the present terms of Confederation, without resorting to direct taxation, or throwing the burden of Education and local works, partially at least on the Municipalities. It is true that this is already largely done by Canada proper, and that without the Municipal taxes its local expenditure could not be kept up to its present amount: but a Nova Scotian may well answer, that their Provincial revenues were enough for their wants in this respect without having recourse to Municipal taxation."—[*Ibid.*]

Before leaving these points, the Undersigned cannot refrain from referring to another remarkable and very significant observation in one of the letters of Sir JOHN, and which they beg may be applied to the propositions and statements which they have the honor to submit:—

"It is," said Sir JOHN ROSE, "proper to state that the gentlemen engaged in the preparation" of the review by the Dominion officials of the Nova Scotia claims, "*were instructed*, as the various features affecting the results came up, to deal with them all, *not with the aim of endeavoring to prove the equity of the existing arrangements*, but rather in a spirit of critical examination, with a view to discovering in what way the several incidents might possibly be unfair to Nova Scotia. *That duty, I believe, has been faithfully performed.*"—[*Nova Scotia Correspondence.*]

There is, Sir, a singular fact which has strikingly impressed itself upon all who have carefully investigated the subject, apart from Constitutional and Commercial considerations, and regarding the Financial position and prospects of this Province. That whereas Upper and Lower Canada projected the Union when their finances were manifestly in an unhealthy state, and their political machinery complicated and disturbed; and Nova Scotia, after a severe contest, and a subsequent readjustment of the basis of Union, accepted the Constitution when her monetary position was even worse than that of the old Provinces; and that whereas Ontario and Quebec now enjoy a surplus in their respective Treasuries, represented by millions of dollars, and Nova Scotia has succeeded in all her demands, including the Province Building claims, and attained ample provision for her local services, and the prosperous adaptation of the new order of things to her condition, and to ward off then impending deficits and taxation: New Brunswick alone, which was in easy circumstances in 1866—politically quiet and commercially hopeful, notwithstanding a long term of depression in her mercantile and mechanical industries—parted with her form of Government, and transferred her most valuable and increasingly remunerative assets to the Dominion—agreed to the conditions and compromises of Confederation for the sake of the new Constitution, and has done so much towards making "the work" of it harmonious and successful—now finds herself alone among her sisters, financially unequal to the requirements of the public service—unable to develop her mineral and other local and valuable resources—with monetary and fiscal

difficulties and complications increasing, and deficits instead of surpluses impending—with her taxation for General and Provincial purposes already enlarged—contributing to Stamp Duties, Excise, and Newspaper Postages for the first time—and a system of direct taxation an inevitable and foregone conclusion! No marshalling of figures, or studied process of logic, is necessary here; the calm reasoning of events constructs and concludes the whole argument. Indeed there is clearly no escape for New Brunswick from a future which must be as irritating as it will be novel and unfair to her people, except in the obtaining of a financial readjustment and better terms. And the Undersigned humbly submit, that before the discontent arising from a knowledge of these facts becomes more widespread and demonstrative, and in order “that the best interests and present and future prosperity of British North America may be promoted by the Federal Union under the Crown of Great Britain”—[*London Conf. Resolutions, Sec. 1*]—the causes directly leading to such irritation and dissatisfaction be removed, that a spirit may not be invoked which shall not “down at our bidding.”

The adoption of the new Constitution was an experiment; and how it, and the terms conceded to the Provinces under it, would bear upon them, were matters involved in the problem. Mr. LANGTON, in effect, refers to this when he says, “there has not been time during the short period, since the effect of Confederation has been fully felt, to enable us to shew, with any certainty, the financial consequences to Nova Scotia;”—[*N. S. Correspondence*.]—and in the same Report he admits that “the principles upon which the debts of the Provinces are to be ascertained have not yet been fully determined upon”—three years after the date of Union. This does not now apply to the case of New Brunswick. We are now able to refer, not only to the inequalities and injustice in the case of Nova Scotia, as admitted by the legislation of the Dominion Parliament, but by the actual working of Confederation, and by the reduction of what were estimates to what are facts, to come with great accuracy to the present and prospective results to the Province of New Brunswick. It is nearly reduced to a simple matter of arithmetical calculation. Whatever may have been the expectations of the past, they may be easily tested by the facts and figures of the present; and, making logical deductions from nearly five years history of the Dominion, and realizing that in a very short time in the affairs of a Province \$63,000 per annum will be taken from us,—estimate or forecast the future in store for this portion of the Confederacy.

THE PENITENTIARY CLAIM.

There is, also, another important matter which may probably be more correctly and conveniently considered at this time, than in the discussion of the claims more justly coming under the title of *Better Terms*.

It will appear from the papers which are submitted, that a very large prospective charge is referred to, as about to fall upon this Province consequent upon Confederation, and for which the local Government, as at present advised, will have to make early provision, and which was clearly neither foreseen nor anticipated at the time the basis of Union was agreed upon, and did

not enter at all into the consideration of the Delegates at Quebec and London, —or of the Legislature or people when Confederation was consummated,—nor does it appear to have occurred to the Canadian Government until the receipt of the Report of the Canadian Inspector, after a tour of inspection in the Maritime Provinces.—[*Report of Inspector of Prisons*, 1869.

It is clear that by *The British North America Act* 1867, the legislative power and authority of the Parliament of Canada ~~was~~ extended to "the establishment, maintenance and management of Penitentiaries."—[*B. N. A. Act*, sec. 91 § 28.]—Certainly this may now be construed to include the power of regulating the terms upon which admission shall be had to those Institutions. Before and at the time of Union, the Judges of the Courts of Law in New Brunswick had the right to sentence criminals for any term of penal servitude to the Provincial Penitentiary. By the operation of the Act, the properties and establishment of the Penitentiary at Saint John were transferred to the Dominion; but it was never understood or contemplated that the power to establish, maintain, and manage, would be so exercised as to abolish absolutely for all time rights of the Province as they then existed, recognized by numerous Provincial Statutes, and to entail upon the local authorities the necessity of establishing, maintaining and managing a local Penitentiary in and for the Province of New Brunswick. On the contrary, it certainly was supposed that in this Province they would be maintained and managed, as to the admission of convicts and criminals, precisely as they had been before the "maintenance and management" were yielded up to the Dominion Parliament. By Dominion Statute, however, (33 *Vict. Cap.* 30,) it has been provided that no prisoner sentenced to imprisonment with hard labor for a term less than two years shall be received or imprisoned in the Penitentiary after the 1st day of May 1873. This is a most startling proposition to the people of this Province; and it is in vain to urge that Parliament is constitutionally all-powerful in the matter, and that we have on the floors of that Parliament representatives from this Province. The Scheme of Union was submitted to the people; the Scheme itself was formulated by a Commission on which we had equal representation; the legislation of Parliament throws burdens upon this Province unforeseen and oppressive, in violation of the spirit of the whole compact. It is distinctly believed that neither the Provincial Delegates nor the people nor the Legislature of New Brunswick would for a moment have consented to transfer for ever beyond their own control their valuable Institution, with the remotest prospect of providing on their own account for the erection and establishment of an Institution *proportionally* more expensive, out of the scanty stipends granted to them for other emergencies of the public service. It is said *proportionally* more expensive; for as prisoners and convict laborers for short penal terms are generally of a non-remunerative class,—unable, during their limited time of imprisonment, to acquire any proficiency in the "hard labor" to which they may be sentenced, and thereby contribute by their toil to the revenues of the Establishment in the same ratio as criminals under punishment for protracted periods,—it will be found more expensive to provide for the annual "maintenance" of the Institution, while the expen-

diture will not be appreciably different. Under the mode of management contemplated by Dominion legislation, it will be found, also, that about *seventy five per cent of the criminals of New Brunswick will be shifted on to the hands of the local Government*, and that without any visible or adequate means of support. What this will cost will appear hereafter, and may be roundly estimated at \$14,500 per annum!

The Undersigned are fully informed of the claims made by, and the negotiations pending or concluded with, the City and County of Saint John on the subject of the local establishment at that place. It is to be borne in mind, however, that whatever interest that City and County may have in the general subject as already presented,—and that their interest therein is very large and important will be readily conceded,—their claim differs materially from that of the Province of New Brunswick. The former had an absolute and tangible money and land interest or investment in the existing establishment which was not considered, or was entirely forgotten, when the transfer was made to the Dominion. If this is the fact, it simply corroborates or illustrates the present proposition, that vesting the “establishment, maintenance and management of Penitentiaries” in the Dominion was not debated and decided upon with a full view of the local interests of the City and County of Saint John, and of any intention of Parliament to regulate the admission of criminals by the severe rule established by recent Dominion legislation. Nor does the report, that the Canadian Government propose to re-transfer the establishment, on certain terms, to the City and County of Saint John, in extinguishment of their direct claims, at all mitigate the great hardship of the case under consideration. The consummation of that project would simply alter the parties, but not the position of the Province, in the matter. It would then remain for the Canadian Government to take care of *twenty five* out of (instead of) every one hundred criminals in New Brunswick, and for this Province either to pay to the City and County of Saint John from their scant resources, for the right to sentence their short-term prisoners with hard labor, the remaining *seventy five* per cent., to the transferred Prison, and on such terms, liberal or otherwise, as the City and County of Saint John should dictate, or provide for and proceed in the erection and equipment and annual maintenance of a separate Penitentiary. Neither can the County Gaols be at all utilized for that purpose.

THE INTER-COLONIAL RAILWAY.

It will be observed from the “Correspondence” on Nova Scotia affairs, that reference is made to the *Inter-Colonial Railway*, and the benefits, pecuniary and otherwise, conferred by the Dominion in the building of that great work partly in that Province, and as an offset to the contribution made to the Dominion Treasury. It may, for similar purposes, be so argued in the case of New Brunswick, particularly when the very great value of the assets contributed by New Brunswick to the common “Partnership” stock is referred to. For their present purpose, however, the Undersigned conceive it unnecessary as it would be unfair to discuss the probable advantages of

the construction of that work to the Province of New Brunswick, for the reasons which they proceed to submit.

At an early hour in the history of the negotiations between the Provinces of Canada, Nova Scotia, and New Brunswick, for perfecting a scheme of Union, the subject of the Inter-Colonial Railway was introduced, and the language employed throughout is remarkable and significant. This line of Railroad and its construction, were not treated as other proposed public works under Confederation, except probably that the extension of the Canal system of old Canada was made somewhat an equivalent, as against the Maritime Provinces, for the building of that Road by Government. The Province of New Brunswick claimed that the Dominion Government, upon certain given terms, should construct that line, *not* so much as a work of general improvement, and of Imperial and inter-Provincial importance and value,—the expenditure in each Colony to be considered as so much public money invested in that Colony, and to its advantage, and on Dominion account,—but apart entirely from the financial phases of Confederation, and rather as a *condition precedent to the discussion* of the subject of Union. In other words, “in consideration” (using the term in its legal sense) that the Provinces of Upper and Lower Canada were led to seek and should obtain Union as a solution of many constitutional, political and social difficulties unknown to New Brunswick, and to secure the more harmonious working of ~~that~~ political machinery, and the removal of long outstanding causes of disquietude and irritation, and at the same time attain as indispensable a passage to the sea and a maritime influence they could not achieve without the consolidation of the Colonies under one Constitution; *so* the Province of New Brunswick was led to consider the overtures of the older Provinces and to open the Correspondence and appoint Delegates, “in consideration” of the building of the Inter-Colonial Railway by the Dominion Government without unnecessary delay. This was substantially stated at the outset by the Hon. Mr. TILLEY. He said—

“Next alluding to the Inter-Colonial Railway project, he said the feeling *was—we won't have the Union unless you give us the Railway.* It was utterly impossible we could have either a political or commercial Union without it.”—[*Speech at Quebec, October 15, 1866.*]

And also by the Hon. Mr. CARTIER, who said—“I must repeat to you *what I stated while in the Lower Provinces*, that while we possessed the personal and territorial elements which go to constitute a Nation, we were wanting in the Maritime element. During six months of the year we had to knock at the door of our neighbour in order to carry on our trade. This cannot be tolerated. This Confederation must be carried out. I know that every citizen of Montreal will understand that at this critical time we should look to Nova Scotia, to New Brunswick and to Prince Edward Island for the elements wanting in Canada to make a great nation.”—[*Speech at Montreal, 29th Oct. 1866.*]

So, likewise, the Hon. Mr. BROWN said—“We have agreed—I announce it frankly—to build the Inter-Colonial Railway. I have not been in favor

"of the Scheme *per se* situated as we have been. But I have at the same time been quite willing to admit,—and I repeat it heartily to day,—that "without the Inter-Colonial Railroad there could be no Union of these Provinces."—[*Speech at Toronto, November, 1866.*]

At the Quebec Conference, 10th October 1864, certain Resolutions were adopted as the basis of a proposed Confederation of the Provinces and Colonies of Canada, Nova Scotia, New Brunswick, Newfoundland, and Prince Edward Island, and by Resolution 68, it is provided—

"68. The General Government shall secure, without delay, the completion of the Inter-Colonial Railway from Riviere du Loup, through New Brunswick, to Truro in Nova Scotia."

Under date 27th February 1865, His Excellency the Lieutenant Governor of New Brunswick, (Hon. Mr. GORDON) in his Despatch to the Imperial Government, says—

"I find, however, that a very general impression prevails, that the construction of the Inter-Colonial Railroad from River du Loup to Truro is to be provided for by a clause in the Imperial Act giving effect to the proposed Federal Union. I do not myself consider it probable that Her Majesty's Government will make such a suggestion to the Imperial Parliament, for I cannot but perceive that such a proposal would appear to Her Majesty's Government to be either unnecessary or unjust; unnecessary, if (as we must conclude will be the case should no unforeseen and insuperable obstacles arise) the new Federal Legislature votes the construction of a work, the immediate commencement of which forms one of the conditions of the agreement to which they owe their existence; unjust, if it were to have the effect of forcing on the people of British America the execution of a work which their Representatives in Parliament may consider it inexpedient to undertake."

This view, however, of Governor GORDON was not sustained, as will hereafter appear, and it was that Parliament should not have the power to declare it "inexpedient to undertake" the work, that New Brunswick determined to and did stipulate, that the arrangement for the execution of that undertaking should be made manifest for all time as "one of the conditions of the agreement" to which the Federal Constitution should "owe its existence."

The Undersigned, in passing, may here recall the fact that during the progress of the Conferences and the Elections, great uneasiness on this very subject manifested itself in the Province of New Brunswick, and a general alarm was created because the Hon. Attorney General MACDONALD had intimated that as a mere detail of Union this stipulation would not be embodied in the Act, (see Governor GORDON'S Despatch, February 1865,) and made a distinctive feature of the proposed Constitution; but, on the other hand, would be subject to the caprice or chance vote of the Federated Legislature; and it was found necessary to assure the people of New Brunswick, from the Press and the Platform, that all cause of doubt and alarm would be removed, by adding to the proposed Imperial Act "provision for the construction of the Rail-

road." It would have materially endangered Confederation at the Polls had this been otherwise.

Proceeding to the Resolutions passed by the Delegates at London, December 24, 1866, we find the language on this subject remarkably changed, as by the 65th Section—

"65. The construction of the Inter-Colonial Railroad *being essential to the consolidation of the Union of British North America, and to the assent of the Maritime Provinces thereto*, it is agreed that provision be made for its immediate construction by the General Government," &c.—[*Proceedings of London Conference.*]

The references to this subject during the Canadian Parliamentary Debates on Confederation, (3rd Sess. 8th Prov. Parl. Canada,) and to the nature of the agreement entered into with the Maritime Provinces, are very clear and satisfactory. During the Debate on the Proceedings of the London Delegation, we find the following reported *inter alia* :—

"Attorney General MACDONALD— * * * In answer to the Member for Carleton, the Government desired to say that they presented the Scheme as a whole, and would exert all the influence they could bring to bear in the way of argument, to induce the House to adopt the Scheme without alteration, and for the simple reason that the Scheme was not one framed by the Government of Canada, or by the Government of Nova Scotia, but was in the nature of a Treaty settled between the different Colonies, each clause of which had been fully discussed, and which had been agreed to by a system of mutual compromise * * * These Resolutions on their face bore evidence of compromise; perhaps not one of the Delegates from any of the Provinces would have propounded this Scheme as a whole, but being impressed with the conviction that it was highly desirable, with a view to the maintenance of British power on this Continent, that there should be Confederation and a juncture of all the Provinces, the consideration of the details was entered upon in a spirit of compromise."

Again—"Attorney General MACDONALD could understand the object of the Hon. Member for Hochelaga. * * * *These Resolutions were in the nature of a Treaty*, and if not adopted in their entirety the proceedings would have to be commenced *de novo*."

"Hon. Mr. HOLTON— * * * Then the third question of which he had given notice, had reference to the Inter-Colonial Railway. *It was a novelty that, perhaps, might not be found in the Constitution of any Country, to introduce a provision for the construction of a railroad, canals, turnpike roads, or other public works.* But the novelty existed in this case, and we are told that a part of the proposed Constitution was to build the Inter-Colonial Railway, as to the usefulness of which there had been a great difference of opinion amongst Members of the House and in the country."

"Attorney General MACDONALD— * * * As regarded the Inter-Colonial Railroad, the Resolutions showed precisely what was the intention of the Government in that matter. The Railroad was not, as stated by Hon.

"Mr. HOLTON, a portion of the Constitution, *but was one of the conditions on which the Lower Provinces agreed to enter into a Constitutional agreement with us.*"

"Hon. Mr. CURRIE— * * * He was satisfied that if the Inter-Colonial Railway project were taken out of the scheme we would not hear much about it afterwards. Some leading men in Halifax had said the Railway first, and Confederation next.

"Hon. Mr. SANBORN.—Hon. Mr. TILLEY had said that.

"Hon. Mr. CURRIE.—Then it would be better to try Confederation without the Railway."

"Hon. Mr. ROSS— * * * The honorable member next came to the question of the Inter-Colonial Railway, which, after all, seems to be his great peculiar horror—the great pillar which overshadows and oppresses him. Well, I will turn again to Lord DURHAM's Report, in which the following passages, remarkably apposite to the subject, appear:— The completion of any satisfactory communication between Halifax and Quebec would, in fact, produce relations between these Provinces that would render a General Union absolutely necessary. Several surveys proved that a Railway would be perfectly practicable the whole way. * * * * The formation of a Railway from Halifax to Quebec would entirely alter some of the distinguishing characteristics of the Canadas. *Instead of being shut out from all direct intercourse with England during half the year, they would possess a far more certain and speedy communication throughout the winter than they now possess in summer.*' This passage greatly impressed the public men of the day—the LAFONTAINE-BALDWIN Administration—in which Mr. HINCKS and the honorable Premier each had a place. It was under them that the Railway legislation of the Province received its first impulse, and last Session I remember to have had occasion to quote the preamble of an Act passed in 1851, which recites: 'That whereas it is of the highest importance to the progress and welfare of this Province that a Main Trunk Line of Railway should be made throughout the length thereof, and form the eastern frontier thereof, through the Provinces of New Brunswick and Nova Scotia to the City and Port of Halifax; and it is therefore expedient that every effort should be made to secure the construction of that Railway.' * * * * *Indeed the Railway is absolutely necessary, and we cannot do without it.* Upper Canada alone, not to speak of Lower Canada at all, requires it, and so well is this understood in the Lower Provinces, that an opponent of the Hon. Mr. TILLEY—Hon. Mr. SMITH—has lately said, *it was quite unnecessary for New Brunswick to spend any money on that work, as Upper Canada must build it for its own sake.*"

The Undersigned deem it unnecessary to pursue further the examination of this important debate on this phase of the subject. The extracts they have the honor to submit, are already more lengthy than they intended or desired; but they so fully cover the position the Undersigned have assumed, and involve so many considerations as bearing upon the Dominion Expen-

ditures in New Brunswick, and answer the position so confidently asserted in the Nova Scotia Correspondence and which may again be brought forward as against New Brunswick, that, at the risk of being tedious, they have thus fully touched the subject. They may, however, sum up the whole argument with the very expressive words of the Imperial Act for authorizing the construction of a Railway connecting Quebec and Halifax, to-wit: "Whereas the construction of the Railway would conduce to the welfare of Canada, and promote the interests of the British Empire,"—[*The Canada Railway Loan Act, 1867*]; and the equally forcible provision of the British North America Act, confirmatory of the whole position:—[*B. N. A. Act, 1867, Section 145*].

"145. Inasmuch as the Provinces of Canada, Nova Scotia, and New Brunswick, have joined in a Declaration, that the construction of the Inter-Colonial Railway is essential to the consolidation of the Union of British North America, and to the assent thereto of Nova Scotia and New Brunswick, and have consequently agreed that provision should be made for its immediate construction by the Government of Canada: Therefore, in order to give effect to that Agreement, it shall be the duty of the Government and Parliament of Canada to provide for the commencement within six months after Union, of a Railway connecting the River Saint Lawrence with the City of Halifax in Nova Scotia, and for the construction thereof without intermission, and the completion thereof with all practicable speed."

UNADJUSTED CLAIMS, &c.

Having, as they conceived it their duty to do, made these observations, the Undersigned have the honor to submit certain statements for the consideration of His Excellency the Governor General in Council. They are compiled from the best authorities at their disposal, and in a spirit of fairness to New Brunswick and of justice to other portions of the Dominion. Nor have the Undersigned, for obvious reasons, referred to the *Unadjusted Claims* between Canada and New Brunswick; or the pending financial questions between Ontario and Quebec, and the probable adjustment or assumption of them by the Dominion Government and Parliament. In the first,—the matter of *Unadjusted Claims*,—however it may be determined, cannot and should not alter the case submitted by the Undersigned; and as they are in the nature of disputed claims and unadjusted balances between the respective Governments, and do not partake of the nature of *Better Terms* under the Constitution, they would be transcending their duty and complicating their case by importing them into the present discussion, however just and equitable they may consider the stand taken therein by the Government of New Brunswick. In the second,—the financial complications between Ontario and Quebec,—whatever may arise on that subject hereafter, it would be premature and conjectural to anticipate at this time. Having secured, as they hope to secure, reparation and justice for New Brunswick at the hands of the General Government and Parliament, it will be the right and duty of others carefully to watch events as the future shall develop them,

and to guard the distinctive interests of the Province as the action of Government and Parliament may suggest.

THE ACTION OF THE LEGISLATURE OF NEW BRUNSWICK.

The Resolutions of the Legislature of New Brunswick impose a three-fold duty on the Undersigned:—

First—It is claimed, that in view of the fact that the original and solemn compact entered into with New Brunswick, as one of the contracting parties to the Act of Union, has been reopened,—without the consent of her Legislature and People,—and provisions made for Nova Scotia largely more advantageous to the people of that Province than were at all assented to or anticipated by New Brunswick, therefore New Brunswick has a right to ask “an advance upon the terms originally granted to this Province to as full an extent as the increased subsidies and better terms granted to Nova Scotia are in excess of the terms and subsidies actually secured to Nova Scotia by *The British North America Act 1867*.”—[*Resolution of Assembly*.]

Second—That as the basis of agreement between British Columbia and Manitoba respectively and the Dominion, and the terms offered to the outlying British North American Colonies, are so manifestly in advance of those secured to New Brunswick,—financially, politically, and constitutionally: in matters of Trade, Revenue, Subsidies, Great Works, Parliamentary Representation, and *per capita* Allowance, and in full view of which by the Dominion Better Terms were ceded to Nova Scotia; the Province of New Brunswick has a further right to ask that the “compromises” she made at Quebec and London, and the injurious effects of which are now so seriously felt, and are so fully explained by the Resolutions of the Legislative Council, be readjusted,—that New Brunswick may not continue at so serious a disadvantage as compared with all the Maritime Colonies as well as the Provinces of old Canada.

Third—That apart entirely from the consideration of the terms originally or subsequently made with Nova Scotia to induce her to share “in the work of the new Constitution,” or to secure the admission into the Union of British Columbia and Manitoba, and the basis presented for the acceptance of the outlying Colonies: New Brunswick has a right to claim that the Canadian Government and Parliament “relax or modify any arrangements which may prejudice the peculiar interests” of that Province. And as it is now ascertained that the terms granted to New Brunswick—even when supplemented by the large reserve fund then in hand—have proved utterly inadequate to the local wants and emergencies of the public service;—that by no means at their disposal can the Government and Legislature provide for the development of the mineral and other resources committed to their care, or enter upon any scheme of Emigration, or works of internal improvement;—that old services are languishing and new demands ignored, because of the small subsidies and income to be devoted to them;—that in a short time no less a sum than \$12,000 per annum will be absolutely taken away, and that even before the withdrawal of that amount Direct Taxation

must be resorted to—and all under a Constitution which promised ease and comfort—New Brunswick has a right to ask the Dominion to grant to her *Better Terms*, unless her case, as it was happily exceptional at the time of Union, shall continue exceptional under Union, and that to her serious loss and discomfort.

In opening the financial matters involved in the duty laid upon them, the Undersigned desire to refer to the

CONTRIBUTION TO THE PUBLIC WORKS OF THE DOMINION MADE BY
NEW BRUNSWICK.

Mr. Auditor General LANGTON, in his elaborate Report on Nova Scotia affairs, says—

“The total debt with which we may enter into Confederation must be decided on very different principles, and the fairest perhaps may be the rate at which we contribute towards bearing its expenses;” and again—“I think, however, that Mr. McLellan is justified in saying that population alone is not a sufficient basis. As it is a question of debt to be assumed, the share which each contributes towards paying for that debt, if not made the whole basis, should at least have been taken into consideration.”—[*N. S. Correspondence*.]—And the late Minister of Finance, Sir JOHN ROSE, on the same point says—“Adopting this view, and taking the average of three and a half years anterior to Confederation, Nova Scotia would be entitled to \$3,031,000 more of debt than is allowed to her.”—[*Ibid*.]

Taking the principles thus laid down by the Hon. Minister of Finance and Mr. LANGTON as our criteria, we present the Returns, as compiled below, shewing the amounts contributed by New Brunswick, on account of her Railways, to the Public Works of the Dominion of Canada. And it may be very justly stated here, that this asset in the common “Partnership” stock handed over by New Brunswick at an enormous discount under the Union Act, is yearly becoming more and more and very remunerative, as the official returns will show; and it is quite reasonable to suppose, that when the Connections and Extensions now constructing in and near New Brunswick, are completed, and her general Railway system, indicated by Provincial legislation before Union, is perfected, this will rank among the most valuable—if it do not take precedence as proportionately the most valuable, asset of the General Government. Those returns will be found to exhibit in 1870 a surplus over maintenance of \$58,841.30, representing a capital of \$980,688 at 6 per centum, and which, estimating the cost at Four millions three hundred thousand dollars, will yield one and one-fifth per cent., whereas the Public Works of all classes which old Canada contributed to the general stock, estimated by Mr. LANGTON at \$46,667,401, only yielded interest at the rate of 0.82 per centum on their cost; while, for the same year, the Railways of Nova Scotia, instead of providing a balance over maintenance, really cost the Dominion \$32,496.20 above receipts, which at 6 per cent. again represents a capital of \$541,603. We may admit, for the sake of the argument, that the per centage on capital is not the only important point, but the

actual amount available for meeting the debt; but even in this view, while the Canadian contributing-assets will yield, when the collection of the Great Western interest is enforced, say $15\frac{1}{4}$ cents *per capita* on the population, the New Brunswick contributing-assets will yield $23\frac{1}{4}$ cents per head. Or we may illustrate the position in this way:—That whereas the asset we contributed as above reimburses the Dominion $\frac{4}{5}$ th of one per cent. of interest upon the debt of \$7,000,000 with which New Brunswick was permitted to enter Union, the contributing assets of the older Provinces return only $\frac{3}{5}$ th of one per cent. of the interest on \$62,500,000, their debt under the Act. Or, coming again to the Public Works of Nova Scotia: as New Brunswick contributes to the Dominion \$58,841, interest on \$980,688, during the same period, while Nova Scotia has shewn a deficit of \$32,496.20, being interest on \$541,603: in order to place the two Provinces on the same footing in this Account, the Dominion would be required to refund to the Provinces of New Brunswick \$58,841, and pay over with that amount the sum of \$32,496 on this branch of the public service alone.

By way of stating this Account more fully then, the following items are submitted, from the Accounts of 1869:—

1869. Total Public Works of Canada,—Dominion Auditor			
(General's Report, Part I, page 26,	...	...	\$918,491 08
<i>Deduct</i> —(as per same Account,)—Gross earnings of			
N. B. and N. S. Railroads,	...	...	440,112 67
Balance,	...	...	\$478,378 41
<i>Deduct</i> —Expenditure, as per Account, page 233,			305,304 59
			<u>\$168,073 82</u>

[Public Accounts, Dominion, 1869, page 243.]

RAILWAYS—*Nova Scotia*—

(Page 26.) Receipts,	\$260,285 25
(Page 243.) Maintenance,	261,898 76
Deficit,	<u>\$1,113 51</u>

RAILWAYS—*New Brunswick*—

Receipts,	\$179,827 42
Maintenance,	126,149 71
Surplus,	<u>\$53,677 71</u>

Balance contributed by New Brunswick Railways,	
Receipts over Maintenance,	...
	<u>53,677 71</u>
	\$221,751 58
<i>Deduct</i> —Deficit on Nova Scotia Railways, Receipts	
less than Maintenance,	...
	<u>1,113 51</u>
Net balance from Public Works,	<u>\$220,638 02</u>

—or, admitting that Nova Scotia exhibits a deficit, while New Brunswick contributes \$53,677·71, New Brunswick will be found to have paid in 1869 nearly one-fourth of the whole net balance of \$220,638·02.

Continuing the investigation into the Accounts of 1870, we may pursue the same enquiry :—
1870.

Receipts from Public Works in the Dominion of Canada,	\$1,006,844 67
<i>Deduct</i> —Nova Scotia Railways,	\$273,028 56
New Brunswick Railways,	198,525 29
	471,553 85
Receipts which old Canada transferred to Dominion,	\$585,290 82
Against this sum is charged an Expenditure of	866,421 82
Leaving Balance of net Receipts,	\$168,869 00
Balance contributed by N. B. Railways, Receipts over Maintenance,	 58,841 80
<i>Deduct</i> —Deficit of Nova Scotia, Receipts less than Maintenance,	 \$227,710 80
	32,496 20
Net balance derived from Public Works,	\$195,214 10

These figures again shew a deficiency in the Nova Scotia Accounts, while New Brunswick contributes to the Dominion \$58,841·80 of the net balance of \$195,214·10.

As elucidating the foregoing, we may add the following figures :—

RAILWAYS— <i>Nova Scotia</i> —	
(Page 19.) Receipts,	\$273,028 56
Maintenance,	305,524 76
Deficit,	\$32,496 20
RAILWAYS— <i>New Brunswick</i> —	
(Page 19.) Receipts,	\$198,525 29
Maintenance,	139,683 99
Surplus,	\$58,841 80

NEW BRUNSWICK RAILWAYS.

The net earnings of the European and North American Railway over maintenance in year 1870, was \$58,841·80, which, at 6 per cent. represents a capital of \$980,688.

NOVA SCOTIA RAILWAYS.

The Nova Scotia Railways, instead of leaving a balance over maintenance, cost the Dominion in 1870, \$32,496·20 over receipts, which, at 6 per cent. represents a capital of \$541,608.

The Comparative Account is as follows :—

New Brunswick—

Railway profit to the Dominion, \$58,841 30. Capital, \$980,688 00

Nova Scotia—

Railway loss to the Dominion, \$32,496 20. Capital, \$541,603 00

New Brunswick, to be placed on same footing as Nova Scotia,
is entitled to \$1,522,291 00

The Undersigned are not unmindful of the fact, that the late Hon. Minister of Finance has avoided giving full scope to this enquiry, or full credit to its legitimate results, fearing, as he acknowledges, that such investigation would lead to "*embarrassing comparisons.*"—[*Vide Letter, January 24, 1868.*]—At the same time, however, he does not refuse to admit, that "the undoubted facts to which reference has been made, give a fair claim to consideration." The Auditor General, Mr. LANGTON, incidentally referring to the same subject, says :—

"It will no doubt be argued, that the trade by the Nova Scotian Railways has not yet been fully developed, and that the net receipts from them will increase. This is no doubt true, *but if they were doubled we should still only be on a par with them*, and our public works may, and no doubt will, become more remunerative. We may, also, look to some further returns from our advances to Railroads. If we may consider the arrears of interest due to us from the Grand Trunk and Northern, practically abandoned, and so cease to enter it up annually against them in the Ledger, yet upon any material improvements in Railway prospects, our claims for current interest would revive. *Under this head then I think we are fully upon a par with Nova Scotia.* We have made improvements fully equal to theirs, and as yet, at any rate, they yield a greater revenue per head."

This being the case, the Undersigned may, it is contended, justly assert that neither old Canada nor Nova Scotia is "*under this head fully on a par with*" *New Brunswick*; and they would be unmindful of their duty, if they failed to institute those "*comparisons,*" and to state their entire willingness to enter into the most minute investigation of all the assets contributed by the respective Provinces, and the nature and remunerative value of them; not, let them add, for the mere sake of ensuring any *embarrassments*, but only that the justice and equity of their claims may be most rigidly examined and fully understood.

Following, as near as may be, the line adopted in the foregoing Statements and Accounts, the Undersigned desire to submit a

STATEMENT *showing the amounts collected in New Brunswick in the year 1870, under the present Dominion Tariff, from Customs, Excise, and Bill Stamps, and Income from Local Provincial sources, and which New Brunswick would have at its disposal out of Union :—*

Dom. Pub. Accts. } Customs Duties,	\$1,015,111 76
1870, pp. 23, 26. } Excise Duties, less expense	
Rep. Inland Rev. of collecting,	149,322 79
p. 36. Bill Stamps,	9,664 61
Carried forward,	\$1,174,099 16

LOCAL REVENUE—

Brought forward, \$1,174,099 16

Export Duty, ...	\$65,000 00
Casual Revenue, ...	40,000 00
Supreme Court Fees, ...	2,000 00
Fees Secretary's Office, ...	5,500 00
Auction Duty, ...	100 00
Net earnings E. & N. A. Railway, ...	58,841 80
	171,441 30

Deduct—Amount to be paid, as per subjoined statement, by the Province for Public Service, ...	\$1,345,540 46
Balance at disposal of New Brunswick,	1,008,984 48
	\$836,555 98

As explanatory to the item of local public service, amounting to \$1,008,984.48, reference is made to the following

STATEMENT shewing the amount the Province of New Brunswick would be required to provide for the undermentioned services out of Union:—

Interest on Debt—\$7,500,000, ...	\$450,000 00
Civil List, ...	40,000 00
Legislative expenses, ...	35,000 00
Judicial, ...	20,400 00
Protection and Collection Revenue, ...	42,000 00
Post Office, ...	20,000 00
Agriculture, ...	12,600 00
Education, ...	120,000 00
Lunatic Asylum, ...	25,000 00
Public Health, ...	6,000 00
Indians, ...	1,200 00
Steam Boat Inspection, ...	1,000 00
Elections, ...	1,500 00
Militia, ...	20,000 00
University, ...	8,884 48
Immigration, ...	1,000 00
Public Printing, ...	9,000 00
Contingencies, Postages, &c.	12,000 00
Great Roads, ...	85,000 00
Bye Roads, ...	65,000 00
Public Buildings, Furniture, &c.	9,000 00
Steam Navigation, ...	9,000 00
Surveys and General Inspection, ...	4,000 00
Marriage Certificates, ...	800 00
Public Hospital, St. John, ...	1,200 00
Carleton Branch Railway, (interest), ...	900 00
Penitentiary, ...	8,500 00
Total, ...	\$1,008,984 48

It is clear, therefore, that had the Province of New Brunswick refused to accept the Scheme of Union, and had raised her Tariff to that now levied

under the legislation of the Dominion Parliament, she could have effectually provided for all her Public Services quite efficiently, in the manner and in the items set forth, and covering all the amounts the Province would have been required to provide for, and had at her disposal, for extraordinary services, unforeseen claims, the development of her resources, and general purposes under her then Constitution, the full sum of \$336,555-98.

It may be well, also, to shew the amount collected in the Province of New Brunswick in 1866, *under her then Provincial Tariff*, and apply it in like manner to the requirements of the Province :—

Statement shewing the Revenue of the Province of New Brunswick in 1866.

Import Duties,	...	...	\$852,693 63
Export Duties,	...	...	65,485 07
Seizures,	...	...	539 67
Auction Duty,	...	...	19 33
Railway Impost,	...	...	184,217 07
Net earnings E. & N. A. Railway,	...	...	51,760 46
Light House Duties,	...	...	25,408 85
S. & D. Seamen,	...	...	8,517 21
Buoy and Beacon,	...	...	3,921 64
Cape Race Light,	...	...	387 61
Copyright Duties,	...	...	98 80
Indian Reserve Fund,	...	...	368 87
Supreme Court Fees,	...	...	3,021 00
Sums Refunded,	...	...	841 29
Casual Revenue,	...	...	47,504 42
Fishery Fund,	...	...	330 75

Total in 1866, ... \$1,245,115 67

Services to be provided for as per preceding

Table, ... 1,008,984 48

Balance at disposal of New Brunswick, \$236,131 19

Assuming the population to have increased in five years from 1866, seven and a half per cent., the number would be 270,950, and the rate per head would be \$3-82 collected under the head of Import Duties and Railway Impost, as against \$4-11 on the population of 1861; and again, assuming the same rate of increase for the next succeeding five years, the population in 1870 would be 289,853, which at \$3-82 *per capita* would yield from the same sources \$1,107,238-46. To this we add the

LOCAL REVENUE.

[Imports and Railway Duties, above,]		\$1,107,238 46
Add—	Export Duty, ...	63,135 65
	Seizures, (as in 1866), ...	539 67
	Auction Duty, ...	45 09
	Net earnings Railway, ...	58,841 30
	Light House Duties, (1866) ...	25,408 85
	S. & D. Seamen, “ ...	8,517 21
Carried forward,		\$1,268,726 23

<i>Brought forward,</i>				\$1,263,726	23
Buoy and Beacon,	"	...	...	3,921	64
Cape Race Light,	"	...	...	387	61
Copyright Duties,	"	...	...	98	80
Indian Reserve Fund,	"	...	...	368	87
Supreme Court Fees,	"	...	...	2,100	00
Sums Refunded,	"	...	...	841	29
Casual Revenue,	"	...	...	35,983	23
Fishery Fund,	"	...	...	330	75
Fees, Secretary's Office,	"	...	...	5,465	15
Lunatic Asylum, 33rd Vic. Cap. 25,	"	...	...	380	00
				\$1,313,603	57

STATEMENT shewing the Estimated Expenditure of the Province in case Union had not taken place, in 1870, as shewn by the Dominion and Provincial Accounts of that year :—

Interest on Debt,	...	...	...	...	\$450,000	00
Civil List,	...	...	...	...	40,000	00
Legislative expenses,	...	...	...	...	40,000	00
Judicial,	...	...	...	...	20,400	00
Protection and Collection Revenue,	...	...	...	...	42,000	00
Post Office,	...	...	...	...	20,000	00
Agriculture,	...	...	...	...	12,600	00
Education,	...	...	...	...	120,000	00
Lunatic Asylum,	...	...	...	...	25,000	00
Public Health,	...	...	...	...	6,000	00
Indians,	...	...	...	...	1,200	00
Steam Boat Inspection,	...	...	...	...	1,000	00
Elections,	...	...	...	...	1,500	00
Militia,	...	...	...	...	20,000	00
University,	...	...	...	...	8,884	40
Immigration,	...	...	...	...	1,000	00
Public Printing,	...	...	...	...	9,000	00
Contingencies, Postages, &c.	...	...	...	...	12,000	00
Great Roads,	...	...	...	...	85,000	00
Bye Roads,	...	...	...	...	65,000	00
Public Buildings, Furniture, &c.	...	...	...	...	9,000	00
Steam Navigation,	...	...	...	...	9,000	00
Surveys and General Inspections,	...	...	...	...	4,000	00
Marriage Certificates,	...	...	...	...	800	00
Public Hospital, St. John,	...	...	...	...	1,200	00
Interest Carleton Branch Railroad,	...	...	...	...	900	00
Penitentiary,	...	...	...	...	8,500	00
Light Houses,	...	...	...	...	15,262	53
S. and D. Seamen and Marine Hospital,	...	...	...	...	7,290	71
Buoys and Beacons,	...	...	...	...	3,201	35
Cape Race Light,	...	...	...	...	419	69
Fisheries,	...	...	...	...	2,787	50
Copyright Duties,	...	...	...	...	134	44
Pensions,	...	...	...	...	160	00
Unforeseen expenses,	...	...	...	...	10,000	00

\$1,052,240 70

Consequently the Province would have had the sum of \$1,813,603.57 to meet an expenditure of \$1,053,240.70, leaving a balance of \$260,362.87 in the Public Treasury! This balance would be increased by the Imports on the excess of Imports in 1870 above the Imports of 1866, which would be no inconsiderable sum.

The Undersigned will now take the liberty to direct attention to the following Tables, shewing the amount paid by the Dominion of Canada for or on account of New Brunswick, and the amount received into the General Treasury by the Dominion from that Province. And it was in view of this department, that the undersigned felt it their duty so fully to meet the matter of expenditure by the Dominion in New Brunswick in the construction of the *Inter-Colonial Railway*. It may be found, also, that certain charges are omitted, which, however, if admitted, will not materially affect the result; while there are items concerning which the Undersigned desire to be fully heard before it is conceded to be just to embrace them in the calculations.

I.

Statement shewing Amount paid by the Dominion of Canada for New Brunswick.

[*Vide Public Accounts, 1870.*]

Subsidy, ...	\$314,637 60
Interest on Debt, ...	450,000 00
Salary Lieutenant Governor, ...	7,000 00
Administration of Justice, I. page 102,	28,129 38
Light House and Coast Service, I. " 209,	39,041 05
Coll'n and Protec'n of Revenue, I. " 261,	75,168 47
Fisheries, ... I. " 218,	9,622 63
Militia, ... I. " 148,	24,595 58
Provincial Penitentiary, ...	8,500 00
Post Office, (P. M. Gen's Acc't, page 306,) ...	37,906 59
Mariners' Fund, (Public Acc'ts, I. page 117,) ...	8,244 50
N. Brunswick's proportion of expenses of Gov't,	86,000 00
	\$1,088,845 80

II.

Statement shewing Amount Dominion receives from the Province of N. Brunswick.

[*Vide Public Accounts, 1870.*]

Customs Duties, I. page 23, ...	\$1,015,111 76
Bill Stamps, ...	9,664 61
Spirits, Malt Liquor, Malt, Tobacco, &c. ...	149,322 79
Bank Tax, ...	4,315 12
Net earnings E. & N. A. Railway, ...	58,841 30
Fisheries, I. page 45, ...	1,086 42
Mariners' Fund, I. page 43, ...	7,553 54
	\$1,245,896 54

Hence it would appear, that while New Brunswick received in 1870 from the Dominion \$1,088,845.80, she actually paid into the Treasury during the

same year, \$1,245,896.54, and the Dominion was really the gainer to the extent of \$157,050.74. Indeed, in general language, it may be confidently asserted, as it is universally believed in New Brunswick, that—apart from all collateral considerations arising out of the geographical position and maritime character of the Province,—New Brunswick, in a monetary point of view, has proved herself to be a valuable constituent of the “Partnership” of 1867.

PUBLIC DEBT.

Referring to the *Better Terms* granted to Nova Scotia, the Undersigned direct attention to another item in the readjustment. By the British North America Act, it is provided—

“New Brunswick shall be liable to Canada for the amount, if any, by which its Public Debt exceeds at the Union seven millions dollars, and shall be charged with interest at the rate of five per centum per annum thereon.”

“New Brunswick shall receive by half-yearly payments in advance from Canada, for a period of ten years, an additional allowance of sixty three thousand dollars per annum; but as long as the Public Debt of that Province remains under seven million dollars, a reduction equal to the interest at five per centum per annum on such deficiency, shall be made from that allowance of sixty three thousand dollars.”—[*B. N. A. Act*, § 115, 119.]

Now under the arrangement made at the London Conference, the Dominion Government did not allow to New Brunswick the interest on the seven millions of debt until that amount had actually been reached. But by the terms of the readjustment with Nova Scotia, the Dominion Government granted, and have paid, Nova Scotia the interest on the balance of their debt from 1st July 1867, the time the Union took place. The Undersigned claim, that had New Brunswick received the same consideration, and received interest on the balance, she would be entitled to \$54,240.71 at five per cent., the rate contemplated by the British North America Act; or at 6 per cent. as paid to Nova Scotia, \$65,088.85. The terms of the Act, as applied to New Brunswick, and the terms of the readjustment, on the same subject, as applied to Nova Scotia, are singularly dissimilar; and the effect of it is, that New Brunswick does not receive the same liberal consideration as the Eastern Province receives—and that to the extent of sixty five thousand dollars and upwards.

SAVINGS BANK ACCOUNT.

Proceeding to the Accounts Current for 1869 between Nova Scotia and the Dominion, and between New Brunswick and the Dominion, a marked difference is observable under this head. In the Nova Scotia Account Current, (Public Accounts III., page 16,) Nova Scotia is charged with Savings Bank Deposits after deducting ten per cent. In the Nova Scotia Correspondence (Report of Hon. Finance Minister) we find the following:—“The points advanced touching the special character of these items, (Provincial Note “Circulation and Savings Bank Deposits,) composing part of the debt of

"Nova Scotia, and as entitling her to be relieved from any charge of interest in respect of them, merit fair consideration * * * * Then as regards the Savings Bank Deposits, amounting to \$657,610.40, it was urged that they bear only 4 per cent., and that a considerable per centage of the gross deposits would never be demanded; that, therefore, the Dominion ought not to charge more interest than it paid, and should absolutely reduce the capital of these two items of the Provincial debt. The Undersigned (continues the Finance Minister) cannot wholly acquiesce in the view of the case as urged by Nova Scotia, but after a careful examination into the state of these Accounts, he believes that a moderate per centage, not exceeding 10 per cent. of each, may, with propriety, be placed to a suspense account; that on this per centage no interest should be charged until the Dominion is called on for it by the holders or depositors."

The Undersigned are unable to discover any subsequent reference to this item in the Correspondence, and "the result" of the negotiations, so far as it is given to the public, is as stated by the Auditor General,— "That Nova Scotia would be entitled to enter Union with a debt of \$9,188,756, and to be relieved from any charge of interest, unless that debt exceed that sum; and that she would receive, for ten years from the 1st July 1867, a subsidy of \$81,693 annually." But when we turn to the Public Accounts of 1869 we discover that the allowance of 10 per cent. is also absolutely made. The Undersigned can conceive no reason why the same consideration should not be given to the case of New Brunswick, relative to her Savings Bank Account, whereas, on the contrary, the Account is made up against this Province without any such deduction. Thus:—

SAVINGS BANK, NOVA SCOTIA.

1869. Savings Bank Deposits, (Pub. Accts. III. p. 16),	...	\$644,687 02
Less 10 per cent. (<i>Ibid.</i>)		64,468 70
		<u>\$580,218 32</u>

SAVINGS BANK, NEW BRUNSWICK.

Savings Bank Deposits, (Pub. Accts. page 18,)	...	\$777,359 85
If from this we deduct 10 per cent.		77,735 98
We have		<u>\$699,623 87</u>

It is therefore claimed, that New Brunswick should receive credit for \$77,735.98 on this Account, for the same reason that a like credit has already been absolutely given to Nova Scotia. The recommendation of the Hon. Minister of Finance, that the item be placed in a "Suspense Account," may or may not have been accepted; but in the meantime Nova Scotia receives the full advantage of an absolute credit of that amount, while it is probable the contingency contemplated by the late Minister will not soon, if it shall ever, arise.

STATEMENT shewing amounts of Import Duties collected in the different Provinces,
and the amount per head of the populations by Census 1861.

PROVINCE.	DUTIES.	POPULATION.	PER HEAD.
Canada,	\$7,262,987	2,507,657	\$2 90
Nova Scotia,	1,133,344	330,857	3 43
New Brunswick,	1,015,111	252,047	4 03

The data for this Table are taken from the Public Accounts of Canada for the year ending 30th June 1870.

A Comparative Statement of Amounts paid for the Provinces of Nova Scotia and New Brunswick.

	NOVA SCOTIA.	NEW BRUNSWICK.
Subsidy and additional Grants,	... \$407,383 60	\$314,637 60
Lieutenant Governor,	... 7,000 00	7,000 00
Administration of Justice, 1870,	... 21,915 00	28,129 00
Light House and Coast Service, ...	... 62,650 00	39,041 00
Collection and Protection of Revenue, ...	... 122,040 00	75,168 00
Interest on Debt, ...	... 551,205 36	420,000 00
Totals,	\$1,172,193 96	\$883,975 60
Imports, ...	\$1,133,344 00	\$1,015,111 00
Paid by Dominion Government,	1,172,193 96	883,975 60
Surplus, ...		\$131,135 40
Deficit, ...	\$38,849 96	

A Comparative Statement of Railway Earnings and Expenditures, Nova Scotia and New Brunswick, (vide Public Accts. Ottawa, 1870, p. 62, part II.

	NOVA SCOTIA.	NEW BRUNSWICK.
Receipts, ...	\$273,028 56	\$198,525 29
Expenditure, ...	305,524 76	139,683 99
Surplus, ...		\$58,841 30
Deficit, ...	\$32,496 20	
Capital or Gross outlay, ...	\$6,706,984 06	\$4,703,385 16
Surplus equal to ...		1½ per cent.
Deficit equal to 6 per ct. interest on	561,603 00	

THE PER CAPITA SUBSIDY.

The per Capita Subsidy to the different Provinces has occupied the attention of the Undersigned, and they complain that the amount will be unjust and unfair to the Province of New Brunswick as soon as its population exceeds 400,000. By The British North America Act (*B. N. A. Act, Sec. 118*) Ontario now receives, and will continue to receive for all time to come, 80 cents per head on a population of 1,396,091, as ascertained by the Census of

1861, amounting to \$1,116,872-80, while *Quebec* receives, and in like manner will continue to receive, 80 cents *per capita* on a population of 1,111,566, amounting to \$889,252-80. *New Brunswick* is now only entitled to receive the subsidy on a population of 252,047, amounting to \$201,637-60, and according to the present arrangements never can receive more than \$320,000, being 80 cents on 400,000, no matter to what extent its population may increase. This, at least in a prospective point of view, is a manifestly incorrect arrangement, and should, it is submitted, receive the attention of the Government and Parliament of the Dominion. Why should the Province they have the honor to represent not be placed in the same position as Ontario or Quebec? If *New Brunswick* exceeds the population of 400,000, why should she not have the allowance of 80 cents per head on that increase, or at least up to the same population as *Quebec* or Ontario?

LEGISLATIVE GRANT.

By The British North America Act, (*B. N. A. Act, Sec. 118.*) it is provided, that a Grant shall be made yearly by Canada to the several Provinces, for the support of their Governments and Legislatures:—

Ontario,	...	...	...	...	\$80,000 00
Quebec,	...	...	...	...	70,000 00
Nova Scotia,	...	...	...	...	60,000 00
New Brunswick,	...	...	...	...	50,000 00

The Undersigned submit, that, at least, there is no good reason why this annual Grant to Nova Scotia should exceed that to New Brunswick, to the extent of \$10,000. Whatever the increase of population may appear to have been during the last decade, that of New Brunswick may reasonably be expected to increase more rapidly than that of Nova Scotia in the future. But, separate from this argument per population, the discrimination against New Brunswick, seems, as it is, unfair, and will ere long become even more manifestly so. The cost of governing and legislating for the Provinces locally, cannot, and should not be, so dissimilar, and so recognized by a Constitution intended to be perpetual. "In fact, it has been abundantly shewn," said the Hon. Dr. TUPPER, "that the difficulty" (and *a fortiori* the cost) "of working the British Constitutional system, is in an inverse ratio to the size of the Colony to which it has been applied."—[*Letter to Earl of Carnarvon, Oct. 1866.*]

DISTRIBUTION OF DOMINION PATRONAGE.

The Undersigned—even at the risk of being thought "beyond the record," on the subject of *Better Terms*—cannot avoid observing that it has been matter of just and serious complaint in New Brunswick, that the expenses of the Public Service in the different Departments is much larger in each of the other Provinces than in New Brunswick; and that, in the distribution of honors and emoluments in the Civil Service of the Dominion, the people of New Brunswick have been largely overlooked. A list of the officials of the Dominion, their number, salaries, and place of birth or residence, would reveal a state of things any thing but complimentary to the inhabitants of

the Maritime Provinces. While they desire no unnecessary increase of offices, and of the public burdens, the Undersigned do claim as a right, that in appointments to office, and in the distribution of honors, New Brunswick receive that full consideration due to a Province which contributes so largely to the Exchequer, and to the effective government of the country.

REQUIREMENTS OF THE PUBLIC SERVICES IN NEW BRUNSWICK UNPROVIDED FOR.

Among other things, it must be clearly apparent from the preceding observations, that under Confederation,—it may be said, in consequence of Confederation,—the Public Finances of the Province of New Brunswick at the present time, are in a very unhealthy state; that the local services are only provided for by the exercise of great economy; and that even to maintain the expenditure to its present frugal standard, a resort to *Direct Taxation* must be had. But after all, we have yet to consider the pressing requirements of the Province—indeed emergencies of the service, yet wholly unprovided for, simply for the mortifying reason that there are now no balances or funds upon which a call can be made. It will be expected, perhaps, that a statement of these be submitted at this time. Obviously, such a statement cannot be made up complete or full, or particular as to details. In endeavoring to estimate the nature and expenses of such services, it is to be remembered that the probable progress of the Province, and other like data, will from time to time present exigencies now wholly unforeseen; and for this reason, if for no other, a Province should always be in possession of a surplus fund or reserved balances in its Exchequer. As the Constitution, subject nevertheless to the action of Parliament, may be said to be “not for a day but for all time,” no man can be expected to exhaust this enquiry. But there are important claims already fully staring the Country in the face, and which there is no provision or power to meet. To only a few of these the Undersigned desire your consideration.

1. *A Local Penitentiary.*—The Undersigned have already dwelt lengthily on this subject. It is yet confidently hoped, that Parliament may be induced to reconsider their severe action on this subject. But if this is not to be expected, it will become the imperative duty of the Local Government to submit immediately to the Provincial Legislature a measure to provide for the erection and equipment,—“the establishment, maintenance, and management,”—of a Penitentiary in and for the Province of New Brunswick. It is not difficult to foresee the temper in which the Legislature will receive such a measure. Referring to the proceedings of the Delegation from the City and County of Saint John, it is found that in the year 1839 the cost is estimated as follows:—

Lands,	...	...	...	£450	0	0
Building,	...	...	...	7,000	0	0
Keeper's House,	...	...	...	430	0	0
Iron Doors, &c.	...	...	...	200	0	0
Fences, &c.	...	...	...	420	0	0
				£8,500	0	0

To this amount it is correct to add the large expenditure from time to time made in the improvement of the lands and buildings, in the equipment of the establishment, the introduction of and improvements upon the machinery, &c. &c. There were also improvements made by convict labor which do not appear on the face of the Accounts. The cost of land, erections, labor, maintenance, &c., has all very much increased, and it would be quite impossible in 1871 to purchase a site, and construct and fit up an Institution and carry on its operations under the expenditure of 1839. The undersigned are of opinion that the following is the minimum estimate at the present time:—

Lands, Buildings, Machinery, &c., (<i>consequent upon the Act of the Dominion Parliament</i> ,) 33rd Viet. Cap. 30,) for a Provincial Penitentiary, \$100,000, interest,			
Cost per annum for maintenance,	...	...	\$6,000 00
	...	...	8,500 00
Annual charge to New Brunswick,	...		<u>\$14,500 00</u>

2. *Great Roads, Bye Roads, Bridges, &c.*—The Undersigned venture to suggest that many of the services which devolve upon the New Brunswick Government are of a peculiar character, and are scarcely duly appreciated by others. As an illustration of this fact, the Road Service is a severe strain upon the finances of the country; and the practical effect, in a sparsely settled Province, of Railway extension, and of opening new Settlements, is to cast new burdens upon this branch of the service. There are already 2331 miles of *Great Roads*, (*see Sessional Papers of Canada, 1869, Vol. 2, No. 3, Paper 8, Appendix 23,*) which are annually increased by the necessary transfer of *Bye Roads* to the Great Road Establishment; and on these Great Roads alone the total length of Bridges is computed at *twenty five miles*, the latter yearly involving an expenditure of \$38,000. The annual Grant for the repair and maintenance of *Bye Roads* is \$65,000. It must be remembered, also, that a large amount is contributed by *Statute Labour*, and, it is proper to observe, that this work has been and is continued under Confederation precisely in the same manner as before the Union took place. But, notwithstanding this expenditure of money and labor, the Road service is but very inefficiently provided for, and large and urgent demands lie unnoticed or unaccepted because there is no more money at the disposal of the Government. A striking illustration of this may be adduced in the case of the "*Great Marsh Road*,"—the principal thoroughfare entering the City of Saint John, the Commercial Emporium of the Province, and over which a large amount of travel and traffic continually passes. To such a state has this Great Thoroughfare come at last, and the Government is so utterly without the power to appropriate at once and *en bloc* the sum required,—(say \$5000 or \$6000,)—to place it in complete and proper repair, that portions of the City Press and people have been driven to advocate the erection of *toll gates* upon it: a novel resort which would be very distasteful, and which very many could not be found to justify even by the emergencies of the case; nor

would the adoption of such a plan, in view of the flourishing state of the finances of other Provinces of the Dominion, commend the present Constitution to the respect and support of the toll payers! Nor is this an isolated case,—it is only a very suggestive one. By a reasonable estimate, \$50,000 more per annum are required to be judiciously and economically expended on Roads and Bridges! But where is it to come from, if the local Government has no means at its disposal?

3. *Emigration.*—The importance of a wise and judicious scheme for the introduction of Settlers into the Dominion cannot be over-estimated. And no part of Canada presents more advantages and inducements, all things being considered, than New Brunswick. This subject has recently attracted more than ordinary attention here, and it is conceded on all sides that action must be taken if progress is to be made. The Press and the People and the Legislature expect this. The teeming populations of the old countries turn their eyes in doubt and expectation to this Continent; New Brunswick is ripe with many inducements to the industrious immigrant; the streaming exodus from the old World actually flows past our very doors to the American Republic, and the hand of the Local Government is helpless from lack of means. Wholly unable to contribute a sufficient sum for this service, we content ourselves with hearing of the influx of settlers into less favored localities in our very neighborhood, or in reading the eloquent Resolutions of Emigration Conferences. New Brunswick will never be able to do her full share of duty to the Dominion and justice to herself, in the cause of Emigration, with her present financial arrangements under the Constitution.

4. *Education.*—Similar remarks will hold good on this subject. The Legislature has already enacted a School Law, which, casting direct assessments upon the people, will also entail burdens upon the Government. The full nature and extent of these it is impossible to estimate or anticipate. It is enough to say that Emigration and Education can be but meagerly cared for out of the income at the disposal of the Government of the Province.

5. *The University* loudly calls for the expenditure of Provincial money, that its powers of usefulness may be enhanced, and the circle of its instruction enlarged. Indeed, notwithstanding the amounts contributed by the Legislature, the returns are not such as satisfy the reasonable expectations of the people. Money is required for the enlargement and improvement of the buildings and grounds—for the improvement of old and importation of new scientific apparatus, and for other necessary expenses. And when it is remembered that the Legislature has taken new and heavy burdens upon itself for Common School purposes, its sincerity in the cause of education cannot be doubted. Indeed the Undersigned believe they only anticipate what may indeed already be public opinion, when they declare, that if the means were at the disposal of the Government, they would advocate an inclusion of the University in the *Free Schools* system of the Province; that every inhabitant of the Province should be able to command a thorough education, in all its branches, from the primary Departments and Common

Yours

Schools up to the *Free University* of the Province. Further efforts, however, in the enlightened cause of popular education cannot be made, unless some more healthy state of the public finances can be induced.

At the last Session of the Legislature application was made to the Government by the President of the Saint John *Mechanics Institute*, and also by one of the Members of the Directorate—both of them Members of the House of Assembly,—for a small grant in aid of the Technological School—or School of Design—in connection with the Saint John Mechanics Institute. The Members of the Government were not slow to acknowledge the importance of the Institution, nor to declare their desire to aid it, particularly at the time when this Department is struggling in its infancy; but to the application was returned the stereotyped reply, “no funds,” and it will remain to be seen whether this “School,” so important to the Mechanics, and so interesting to all, in New Brunswick, must fail for lack of means. It is indeed hard if this should be the case, at a time when it is publicly announced that the Ontario Government, out of its large revenues, is about to establish a Technological School in the City of Toronto.

6. *Mining*.—The extent, richness and value of the Mining resources of New Brunswick are only partially known, and that by mere estimate, even to the people of the Province themselves. But the limited geological explorations of the Province which have been made fully justify them in the conclusion, that New Brunswick is rich in extensive and varied mineral deposits. But this is of little practical moment, if they are to be for ever buried in the earth. There can be no question, that a proper expenditure of money in this important work would not only largely benefit the local interests of the Province, but also advance the material services of the Dominion. And it is indeed necessary for the people of New Brunswick very seriously to examine every probable industry, and struggle to enhance it, since they have discovered that their invaluable *Fisheries*, which have long been a source of employment and subsistence to a very large class, and of revenue and prosperity to the Province,—and ~~while~~ they had hoped and believed were secured to them and their children for ever,—are in imminent jeopardy, as a sacrifice to the *Empire's* emergencies!

7. *The Province Buildings*.

8. *The Lunatic Asylum*.

The Undersigned forbear to enlarge on this branch of their enquiry.

MANITOBAH AND BRITISH COLUMBIA.

By the terms of the Resolutions passed by the Legislature of New Brunswick, it will be observed that pointed reference is made to the financial arrangements concluded with, and the constitutional advantages granted to, Manitobah and British Columbia, and proposed to the outlying Colonies.

These involve many very important political questions, including that of *Representation in Parliament*.

This is indeed a very serious article of the Constitution affecting the Province of New Brunswick, and considered in the light of the terms ceded to Manitobah and British Columbia, calls loudly for reconsideration, if a full measure of justice *pro rata* is to be meted out to us.

The discussion of the financial basis of Union with British Columbia and Manitobah, opens a very wide field, and will require many calculations, estimates, and comparisons, lengthy and tedious. While, therefore, claiming the right, pursuant to the provisions of their appointment, to import all the constitutional and financial arguments legitimately accruing therefrom, into their case, the Undersigned submit they have already demonstrated the right of New Brunswick to *Better Terms*, and the great injustice which must ensue if they are not granted. If, however, their case does not now appear to others as clear and tangible as it does to them, and it is deemed necessary to fortify their position by a consideration of the separate cases of Manitobah, Columbia, Newfoundland, and Prince Edward Island, they are at once ready and anxious, at any expenditure of time, labor, and convenience, to proceed in detail into that phase and department of the enquiry.

There are probably other branches of the discussion which may have been overlooked, or are not here presented. For the present the Undersigned rest their case as it is made to appear in the preceding remarks. They ask that they may be heard upon it, when the convenience of the Dominion Government will permit.

CONCLUSION.

The People of New Brunswick, speaking by the united voices of both Branches of the Legislature at its first Session after the local General Election, have instructed the Local Government to press for *Better Terms* by every constitutional means.

Commissioned by that Government, the Undersigned have thus far endeavored to present some of the grounds on which the claim is based. They have brought to the discharge of their very onerous and responsible duty at least a desire only to claim justice from the Dominion. They humbly submit that *Ontario* has attained under Confederation a Revenue unequalled by that of any previous year in her history, and is accumulating millions of dollars for local development and internal improvement; that *Quebec* is yearly and substantially harvesting the ripe fruits of the General Union; that *Nova Scotia* has received terms far in advance of and more advantageous than those conceded to her by the Act of Union, and accepted by her Legislature when the compact was sealed; that *Manitobah* has secured a local Constitution and Government proportionately less burdensome and more remunerative than New Brunswick has received; that *Newfoundland* and *Prince Edward Island* will occupy a similar state with *Manitobah* in this respect, or have none of the Agreement; while the Covenant entered into with *British Columbia*, financially and constitutionally, is such as the most sanguine New Brunswicker could never have expected or demanded for his Province. *New Brunswick* stands conspicuously and severely alone. What-

ever of commercial ease and prosperity she enjoys is despite her *Financial Bargain* of 1867. Nevertheless, as an important and valuable portion of the United Provinces, the people of New Brunswick respectfully but most firmly demand that the political prosperity, comfort and development of their Province, shall be equally matters of solicitude to the Government and Parliament of the Dominion, as tending more surely to secure the successful operation of the Compact, and at the same time to "protect the diversified interests of " the several Provinces, and secure efficiency, harmony and permanency in " the working of the Union."—[*Quebec Conference, Section 2.*

Therefore, that these great purposes may be accomplished ; that the people of New Brunswick, who held at the time the key of Confederation in their own hands, may command their just rank in the Dominion ; that they may not discover that the frankness and freedom with which they accepted Union have really proved fatal to them ; and that the Constitution may vouchsafe to all that even handed justice without which no system of Government can be stable or satisfactory, and at once the pride and protection of the governed, the Undersigned, on behalf of the People, the Legislature, and the Government of New Brunswick, respectfully submit their Appeal.

We have the honor to be Sir,

Your obedient servants,

GEORGE L. HATHEWAY,
BENJ. R. STEVENSON,
WM. WEDDERBURN.

*To that Letter, the Undersigned received the following reply:—

(COPY.)

OTTAWA, 9th October, 1871.

GENTLEMEN,—

I have the honor to acknowledge the receipt, this morning, of your printed Letter of the 2nd inst., addressed to the Secretary of State for the Provinces, embodying two series of Resolutions passed during the last Session of the Legislature of the Province of New Brunswick; one by the Legislative Council, and the other by the House of Assembly of that Province, setting forth that you have been appointed by the Lieutenant Governor of New Brunswick in Council as Delegates to proceed to Ottawa, on the subject of the Resolutions in question, and generally to consider the abstract right of that Province to "*Better Terms*," as a member of the Dominion.

Your Letter has been transferred to the Secretary of State for Canada, through whose Department all such matters are brought under the notice of His Excellency the Governor General.

I have the honor to be,

Sirs,

Your obd't servant,

E. A. MEREDITH,

Under Secretary of State.

The Honorables

GEORGE L. HATHEWAY,

BENJ. R. STEVENSON,

WM. WEDDERBURN, ESQUIRE, M. P. P.,

Ottawa.

The following Letter had already been addressed to the Honorable DR. TUPPER, C. B., President of the Privy Council:—

(COPY.)

OTTAWA, October 3rd, 1871.

SIR,—

The Delegates appointed by the Government of New Brunswick to confer with the Privy Council of the Dominion of Canada on the subject of

*It may be proper to note, in explanation, that when the Undersigned stated in their Letter of October 2nd, that the Province of Nova Scotia had succeeded in its Public Buildings claims, they intended to refer only to the success of that Province in obtaining a reference of the disputed questions to Arbitration,—in itself, and under the circumstances, admitted at that time to be no small concession. Since then, however, and the writing of this Report, their remark has acquired additional force, from the nature of the Award of the Arbitrators, and the statement therein that they looked "*at the wide scope granted them under the above authority from Sir FRANCIS HINCKS, for and on behalf of the Dominion, to take into consideration a large and generous view of the financial position of the new Provincial Buildings,*" &c. &c.

"*Better Terms*" for the Province of New Brunswick, respectfully solicit an interview at as early a day during the ensuing week as your Honorable body may appoint.

We have the honor to be,

Your obedient servants,

GEORGE L. HATHEWAY,
BENJ. R. STEVENSON,
WM. WEDDERBURN.

The Honorable Dr. TUPPER,
President of the Privy Council, &c. &c. &c.

To which the Undersigned received the following reply:—

(COPY.)

OTTAWA, October 4th, 1871.

GENTLEMEN,—

In reply to your Letter dated yesterday, I have the honor to inform you that the Privy Council will be happy to receive you as Delegates from New Brunswick on Monday next at 3 o'clock.

I remain,

Yours faithfully,

CHARLES TUPPER.

The Honorables

G. L. HATHEWAY,
B. R. STEVENSON,
WILLIAM WEDDERBURN, Esq., M. P. P.

As Your Excellency will at once perceive, from a perusal of their Letter of the 2nd October, it was impossible for the Undersigned to pursue their investigations of the Dominion Returns and Accounts down to a later date than the close of the fiscal year 1869-1870. They therefore addressed the following Letter to the Honorable the Minister of Customs:—

(COPY.)

OTTAWA, October 7th, 1871.

Hon. S. L. TILLEY, C. B.,
Minister of Customs, &c. &c.

SIR,—

Referring to our Letter of the 2nd instant to the Honorable the Secretary of State for the Provinces: we found it impossible to go as fully into the Customs Returns of Nova Scotia and New Brunswick as we desired, as we had not at our disposal the figures for the year ending 30th June last. We, therefore, take the liberty to ask you, if you can furnish us with the Official Returns *up to the present time*, that we may use them as we may find necessary in discussing our claims upon the Dominion for "*Better Terms*."

We have the honor to be,

Your obedient servants,

GEORGE L. HATHEWAY,
BENJ. R. STEVENSON,
WM. WEDDERBURN.

And a similar Letter to the Honorable the Minister of Public Works, as follows:—

(COPY.)

OTTAWA, October 7, 1871.

Hon. H. LANGEVIN, C. B.,
Minister of Public Works, &c.

SIR,—

Referring to our Letter of the 2nd inst. to the Honorable the Secretary of State for the Provinces: we found it impossible to go as fully into the Returns from the Public Works of Nova Scotia and New Brunswick as we desired, as we had not at our disposal the figures for the year ending 30th June last. We, therefore, take the liberty to ask you, if you can furnish us with the Official Returns *up to the present time*, that we may use them as we may find necessary in discussing our claims upon the Dominion for "*Better Terms*."

We have the honor to be,

Your obedient servants,

GEORGE L. HATHEWAY,
BENJ. R. STEVENSON,
WM. WEDDERBURN.

And a similar Letter to the Honorable the Minister of Inland Revenue, as follows:—

(COPY.)

OTTAWA, October 7th, 1871.

Hon. ALEXANDER MORRIS,
Minister of Inland Revenue, &c.

SIR,—

Referring to our Letter to the Honorable the Secretary of State for the Provinces: we found it impossible to go as fully into the Returns from the Inland Revenue Department from Nova Scotia and New Brunswick as we desired, as we had not at our disposal the figures for the year ending 30th June last. We, therefore, take the liberty to ask you if you can furnish us with the Official Returns *up to the present time*, that we may use them as we may find necessary in discussing our claims upon the Dominion for "*Better Terms*."

We have the honor to be,

Your obedient servants,

GEORGE L. HATHEWAY,
BENJ. R. STEVENSON,
WM. WEDDERBURN.

Notwithstanding the rule that a large portion of the information thus desired is not allowed to transpire until formally laid before the Dominion Parliament, in consideration of the exceptional nature of their Mission, the Undersigned were placed in possession of most of the Returns sought for, informally and confidentially, for their use during their stay at Ottawa, in the performance of the duties delegated to them. They are, for obvious reasons, however, not herewith submitted to Your Excellency, but will appear hereafter in the Official Reports to be presented to the Dominion Parliament.

Pursuant to the foregoing appointment, the Undersigned were honoured

with a hearing before the Honorable the Privy Council on *Monday*, the *ninth* day of *October* instant; and upon that occasion, embraced the opportunity to enlarge upon and otherwise enforce each of the arguments and propositions presented in their Letter of the 2nd instant,—(a copy of which had already been handed to each Minister,)—and to comment upon,—and to fortify their case with,—and to advance other views suggested by,—the additional and valuable information as to Customs, Public Works, Revenue, &c., placed at their disposal.

The Undersigned should, perhaps, inform Your Excellency, that they admitted, notwithstanding time and experience have abundantly proved that the "*British North America Act, 1867*," has not provided anything like adequate terms for New Brunswick, yet, as this Province had solemnly and deliberately accepted it, and severe and exceptional as the financial results must prove, no complaint, or appeal for "*Better Terms*," would probably have been made in its behalf but for the Nova Scotia concessions and the very generous nature of the terms granted to the Provinces of Manitoba and British Columbia and offered to Newfoundland and Prince Edward Island. They referred, also, to the arrangement concluded with Ontario in the matter of the Great Western Railway Company,* which has practically and effectually enhanced the terms given to that Province by the Act of Union. They thereupon contended the charge could not justly be preferred against New Brunswick that it alone sought or seeks relief from a Constitutional Compact which it had accepted. Indeed, that the original Agreement or Act of Confederation, and the terms foreshadowed by the Quebec and London Conferences, both technically as regards Nova Scotia and practically as regards all the Provinces of the Confederacy, except New Brunswick, exist only by a sort of misnomer, so largely had they been departed from either in letter or in spirit, and sometimes in both. And because they had not in their Letter of the 2nd instant gone into the arguments presented by these better terms to Ontario, British Columbia, Manitoba, Newfoundland and Prince Edward Island, the Undersigned accepted this opportunity of orally referring to them, and of comparing them with the terms contemplated by the Conferences and the Act of Confederation and those granted to New Brunswick. And as the Undersigned had frequently to meet the charge of extravagance against New Brunswick published in the Upper Provinces since the movement in the Legislature in favor of "*Better Terms*," and the allegation that the Funds allotted to it were wasted and needlessly consumed, they took occasion to refer to that subject before the Privy Council, and more fully during their Conferences with certain members of the House of Commons who adopted that line of argument. They appealed to the Annual Accounts of the Province, and contended that no new items had been added to the public expenditure since Confederation; that precisely the same services, now a charge on the local Government, had for years existed

* *Dom. Stat. 33 Vict. Cap L; 34 Vict. Cap XLIV; et cæ.*

before Confederation,—indeed ever since the establishment of Responsible Government, and were contemplated by the Union Act in the distribution of the legislative and general powers of the Dominion Parliament and the local Legislature, and had not been made any more expensive than the exigencies of each case demanded as the Province progressed. That for the support of *all* these, the terms of the Union Act were intended, but are inadequate; and *that all of them*, with the other services originally within the jurisdiction of the Provincial Government, were comfortably cared for before Confederation. That it is manifestly irrelevant and unjust to pretend to reply to the claim for "*Better Terms*," that New Brunswick must perforce now reduce its remanent establishment and expenditure, in order to make the terms of the *British North America Act* "fit" its case, and so continue the work of reduction,—if not of demolition,—from time to time as the provisions of the Act become more and more oppressive. And, it is to be remembered, all this must be not for a year or a decade, but for all time as long as the Constitution shall continue to exist. And, in the natural current of events,—if New Brunswick is not to become stationary amid the general progress of the confederated Provinces and the neighbouring States,—when this reduced expenditure and this diminished establishment are found incommensurate with the requirements of the day, shall we retrace our steps in the local political organism and economy of the Province to things as they now are? rehabilitate our establishment and enlarge our expences? and then seek, with any reasonable hope of success, to secure "*Better Terms*"? And would any who desire now to hold this Province,—and this one alone,—to the very letter of the Act, be any more willing then to do justice to our wants and our sacrifices, and to relieve us from the penalties of the bond? But the Undersigned submitted, also, that no such propositions were presented to Nova Scotia, and no such spirit pervaded the negotiations with the North West Territory, or British Columbia, or the offers made to the outlying Colonies. That had any such proposals been advanced prior to Confederation, and when the schemes of Union were submitted,—instead of the large promises contained in Imperial Despatches, Government Memorandums and Conference Resolutions, and in the speeches of the Canadian and other Delegates delivered from City to City, from Charlottetown to Ottawa, and all of an exactly opposite and reassuring tenor,—New Brunswick most certainly would have refused to enter into any Constitutional Alliance with "Old Canada." That, furthermore, New Brunswick will have made sufficient sacrifice, under any circumstances, to secure to the British North American Provinces a Constitution, without now being called upon to submit to external dictation and practical coercion and control as to the curtailment or limiting of its own internal expenditure below what it had long before enjoyed, and below what was *professedly guaranteed to it in 1867*; and only because it logically seeks to obtain under the Constitution, the same consideration it enjoyed before the Constitution, and which others have so liberally received since the adoption of the Constitution. And they claimed through-

out all the Conferences referred to in this Report to Your Excellency, that whatever organic changes, *if any*, may be deemed desirable or necessary hereafter must be solely matter for the consideration of the local Legislature,* and that the benefits accruing, *if any*, should of right belong to New Brunswick, and not to the Dominion, as in all similar cases; but, finally and above all, that no reductions can possibly be made large enough to render the demand for "*Better Terms*" either unnecessary or untenable.

In addition, the Undersigned felt it their duty to present more in detail than could be conveniently embraced in any Letter, a Statement of the Annual Income and the Annual Expenditure in the local services, as set forth, at large, in the Journals of the last Session of the Provincial Legislature.† They explained, among other things, that not only were all the Funds allotted to this Province and available under the *British North America Act*, and the Local Revenue, legitimately and entirely absorbed from year to year, but also that the additional sums of \$200,000, and \$14,000,—balances in the hands of the Government and Departments in 1867, and to which casual reference is made in their Letter of the 2nd instant, had been included in and carried through successive Annual Estimates and Accounts, and had been from time to time appropriated in part to the current ordinary expenses of the local Service. That a reference to the Financial Statements of New Brunswick from 1868 to 1870, both inclusive, will show how soon and how steadily that Surplus or Reserved Fund, diminished. The Balances during this period were thus stated :—

1October 31st, 1868,	-	-	-	-	-	\$213,073 09
“ “ 1869,	-	-	-	-	-	113,040 49
“ “ 1870,	-	-	-	-	-	82,064 96

These results of the financial operations of the respective fiscal years referred to,—and to which only passing reference could be made in the Argument before the Privy Council,—proved, they contended, that the whole balance from the 1st day of July, 1867, to the close of the first financial year of New Brunswick under the new Constitution, did not reach in amount the original Provincial Surplus. Indeed, but for the incorporation of these sums, with the current accounts of the Province from time to time, the positive insufficiency of the Terms provided for New Brunswick in the Act of Union, would have become immediately apparent to the public eye. And they intimated, it was quite possible, that in some quarters, where the true nature of the items of the Financial Statements was not fully understood, the injurious impression had been created, that New Brunswick not only enjoys sufficient for its Local Purposes, but also a Balance to its credit as the yearly result; but Members of the Privy Council must now apprehend how erroneous this view of the case really is. They argued also, that a portion of the sum referred to is included in the Financial Statement of the current fiscal year,‡ and that the final instal-

* B. N. A. Act 1867, § 92. † Journ. House of Assembly, 1871, p 90-112.

‡ Journ. Legislature, 1868, '69, 70, 71. § Journ. House of Assembly, 1871, p. 106.

ment of it is in fact the supposed "Surplus" of \$82,064.96. Hence, it was claimed, it must appear manifest, that the Government of New Brunswick, confined to the Subsidies and Grants of the Act of '67, is far more than unequal to the absolute emergencies of the Public Service. But, they further argued, during this period the Annual Provincial Subsidy has been paid to New Brunswick in full, notwithstanding, and while the Canadian Government claims as per the Public Accounts, that it has become indebted to the Dominion in the further sum of \$575,298*—on account whereof interest at 5 per centum per annum will be charged against this Province and be deducted from our Subsidy under the terms of the B. N. A. Act.† The Undersigned, also, endeavoured to estimate the financial condition of the Province when the Subsidy shall be reduced by this contra charge of interest nearly \$30,000;* and the still further and greater embarrassment when the full sum of \$63,000 is wholly withdrawn in 1877.‡ For, if during this short period, New Brunswick has thus necessarily exhausted its reserved Fund, Local Revenue, Subsidy, *Per Capita* Allowance and Legislative Grant, and increased its debt to the Dominion \$575,298 over and above \$7,000,000,† what must be the condition of affairs when it has no Reserve, and but half of the present Provincial Subsidy?—or, in ten years from the time of Union, now a very short period in the life of a Province, when, without any old Surplus to its credit in the Departments, its already increased indebtedness over the Provincial Debt prescribed by the Act has, at the same rate of increase, assumed double its present proportions, and the full sum of \$63,000, per annum, has been wholly taken away? And on this (then) indebtedness will the Canadian Government demand interest, and from what item then remaining to us shall it be deducted?¶ That in view of these figures,—now a part of the financial history of New Brunswick during less than five years under Confederation, and if there is anything reliable in the logic of events, and the lessons of accomplished facts,—upon this branch of the enquiry alone, New Brunswick, without "*Better Terms*," must, for ordinary local purposes, apart from all desirable Provincial improvements or investments, again impose new and heavier and direct taxation upon the people, or drift into Financial Bankruptcy! That, from information derived from the Honorable the Minister of Agriculture, and from the Census Commissioner at Saint John, the Undersigned were led to believe the results of the late Census would not very materially or substantially affect any of their estimates as to the future of New Brunswick financially; but would only illustrate more forcibly the unfairness of the *per capita*, and other arrangements of the "*British North America Act*." Such then to New Brunswick, at least and alone, must be the issues of the Financial Bargain of 1867. They asked the Privy Council, therefore, "*as it is so*

*Resolutions Leg. Coun. ante.

†B. N. A. Act, § 115.

‡B. N. A. Act, § 119.

Public Accounts, Canada iii. 17.

B. N. A. Act, § 118.

¶ B. N. A. Act, § 119; Dom. Stats. 33 Vict. Cap. II; N. S. and N. B. Acts. Pub. Accts. Canada, III, pp. 16, et seq. "*Public Debt*," Letter 2nd Oct. ante.

"obviously the interest of the Government and Parliament of the Dominion, that the Union should work satisfactorily,"* to interpose, as well in the interest of Justice and for the Happiness of Canada at large as for the Comfort and Peace of New Brunswick, that such a state of things may be prevented; that from the large Surplus in the Dominion Treasury, to which New Brunswick so generously and increasingly contributes, such Allowances be granted as shall at least, restore the Province fiscally to something like the comfortable financial position it held anterior to Confederation, and thus ward off impending and inevitable troubles and taxation new to its history and unjust to its people, in the same spirit as had already been most liberally and effectually done in the case of every other Province of the Dominion.

Nor could the Undersigned admit the truth of the assertion made elsewhere, that New Brunswick now sues *in forma pauperis* for concessions to which it is in nowise entitled, according to the rule of procedure already and repeatedly adopted by the Government and Parliament of Canada; but that it most equitably, and by the very right of the matter, simply seeks that the same rule be applied to it, and that it too shall be relieved from the necessitous nature of its financial condition brought upon it by the operation of a Constitution which has practically impoverished the New Brunswick Treasury while it has enriched the Treasuries of the other original Provinces of the Union, and has filled the General Exchequer with a most generous Surplus. And when Ontario and Quebec are admittedly reaping these great monetary advantages;—when "Old Canada" has obtained communication with the open sea through British Territory, maritime markets, representation by population, and the long looked for abolition of the Constitutional anomalies of dual leadership, double majorities, political dead locks and the internal antagonisms of race;† when both Provinces are loudly and often congratulating themselves upon the full realization of all the sanguine hopes of 1867;‡ when Nova Scotia, our own Maritime neighbor, has obtained relief from the

* Sir John A. MacDonald, *Nova Scotia Correspondence*.

† *The Union of the Prov. B. N. A.* by Hon. Joseph Cauchon, 1865, p. 1-33.

‡ Since this Report was written His Excellency the LIEUTENANT GOVERNOR of the Province of Quebec, upon opening the Legislature of that Province in his Speech, among other things, made the following announcement:—

"The Public Accounts will be submitted to you, and the usual Supplies asked for the different branches of the Public Service, and for the important objects of Education, public charities, agriculture and colonization. My Government has exerted itself to reduce the expenses to what strict necessity requires, and I have no doubt you will also use a wise economy in the employment of the public funds. You will be happy to learn, notwithstanding the large expenditure which has been incurred during the last four years in public works,—in the establishment of schools of reform and industry,—in the development of public instruction,—in the construction and improvement of Court Houses and Gaols,—and in all the numerous objects which the Constitution has left in the charge of the Local Government, there still remains a considerable sum to the credit of the Province;"

—showing that the Province of Quebec is able to incur "large expenditure" for PUBLIC WORKS—SCHOOLS OF REFORM AND INDUSTRY—PUBLIC INSTRUCTION,—and in the construction of COURT HOUSES AND GAOLS,—

"and in all the numerous objects which the Constitution has left in charge of the Local Government," and have after all "a considerable sum to the credit of the Province." And His Excellency the LIEUTENANT

undue pressure of the Act and is now conciliated and satisfied* ;—when Manitobah has been granted Constitutional Government and the establishment of Peace, Order and Protection,† and British Columbia has gained admission to the Union literally on its own terms,‡ and both under financial arrangements peculiarly liberal and advantageous to them: New Brunswick may, they argued, surely and confidently expect the co-operation of these sister Provinces to make it also and equally contented;—more particularly when to it must be attributed so largely the adoption of that System of Confederation which has thus so greatly and materially enriched and benefited them, and towards whose prosperity the taxes of New Brunswick so much contribute. That, in fact, while bearing their full quota of the general expenditure of the Dominion for these objects, our own people will have practically paid with their own money involved in the Surplus in the Dominion Exchequer, at least to a considerable extent, for any concessions which may be made, while at the same time if any Commercial advantages have accrued to New Brunswick, they are necessarily and essentially of that nature which increase directly and indirectly the financial ability and prosperity of the Dominion. And why a Province which proportionally contributes so much

GOVERNOR of Ontario, upon meeting the Legislature of that Province in December last (1870) used similar language of congratulation, as follows:

"My predecessor, at the opening of the first Session of this Legislature, intimated that you begin your labors with revenues at your disposal large enough to justify the hope that they would prove adequate, not only for the actual requirements of the Government, but also to satisfy the wants of this rapidly improving country. The opinion then so confidently expressed, *the experience of the past three years has established to be well founded, as is strikingly evidenced in the large Surplus remaining unused in the Provincial Treasury, and that too after satisfying not only the ordinary outlays required for the public works and charities, but also providing for various public works of great utility and the erection of public institutions which are no less creditable to your liberality than productive of lasting benefit to suffering humanity, and the general interests of the Province at large. How best to apply this Surplus, or at all events a considerable portion thereof, in developing the resources of the Province by advancing the Commercial and Agricultural interests of the people it will be for you to determine.*"

And His Excellency repeats more emphatically these congratulations in 1871, as follows:

"Mr. Speaker and Gentlemen of the Legislative Assembly:

"During no period in the history of Her Majesty's North American possessions can there be found recorded of any one of them a condition of prosperity which can at all approach that now almost everywhere exhibited in this Province, and it therefore affords me great pleasure to congratulate you on so favourable an aspect of our country's stride in the path of material advancement."

Such glowing language must sound strange and unfamiliar to any New Brunswicker who truly and thoroughly understands the financial condition of his Province; and silence every apprehension that Ontario and Quebec will ask for "Better Terms" than such as they now enjoy. And it is to be remembered that Ontario has not yet commenced to reap the advantages of the Ontario-Quebec Award.

The case of Nova Scotia has been already largely referred to.

The Speeches of the LIEUTENANT GOVERNORS of British Columbia and Manitobah have not been received by the Undersigned, nor have they been able to obtain copies of them; but other references, made in this Report to those Provinces, will suffice. See also, *Imp. Stat. 31 and 32 Vict. Cap. CV.*; and "*Report of Delegates to negotiate for the acquisition of Ruperts Land and the North West Territory*," May 8, 1869, et cet.

* *Dom. Stat. 33 Vict. Cap. II.*

† *Dom. Stat. 32 and 33 Vict. Cap. III; 34 Vict. Cap. XIV, et cet.*

‡ The Hon. Mr. Trench's speech, post.

the more to the General Revenue of the Dominion than the others, as is apparent from previous observations, should be held alone bound to a position from which it shall for all time derive so much the less advantage, is a problem which the Undersigned could not pretend to solve.

Before proceeding further, although only general reference was made to them at Ottawa by the Undersigned, they take the liberty to recall Your Excellency's attention to the following extracts from the Addresses delivered by eminent Canadian gentlemen in different parts of the Provinces, as they and the Maritime Delegates proceeded with their deliberations on the subject of the Union then proposed, and as published generally by the Colonial Press at that time; and, also, to an extract from the Speech delivered by the Honorable Mr. TRUTCH, one of the Delegates from British Columbia, at the Complimentary Dinner to him at Ottawa, 10th April, 1871—the Honorable Sir GEORGE E. CARTIER presiding. From these extracts, Your Excellency may the more readily perceive, that in their proceedings, the Undersigned have been largely influenced by the spirit so widely diffused when Confederation was not yet accomplished, and which they now desire may obtain equal prominence and influence when the re-consideration of the case of New Brunswick is presented. They also give one or two quotations from Imperial Dispatches. They might easily make their quotations and extracts much lengthier and more voluminous, but as each Address was delivered in the presence of all the Speakers fresh from the deliberations of the Conferences, they have rather endeavoured to point them to different phases of the discussion, instead of swelling this Report with what might be considered mere cumulative evidence on each distinctive proposition. And in the perusal of them, one cannot help recalling to his mind the language employed in the *Nova Scotia Correspondence*, and during the *Parliamentary Debates* on the subject of the admission of British Columbia and the North West Territory; and to ask himself whether that "spirit" became exhausted upon those matters, and shall be powerless of influence when New Brunswick endeavors to invoke it?

The extracts to which the Undersigned desire to refer Your Excellency are as follow:

HON. MR. CARDWELL.—"Her Majesty Government cannot but express the earnest hope that the Arrangements may not be of such a nature as to increase at least to any considerable degree, the whole expenditure, or make any material addition to the taxation, and thereby retard the internal industry, or tend to impose new burdens on the Commerce of the Country."—[*Dispatch*, Dec. 3, 1864.

"You will at the same time express the strong and deliberate opinion of Her Majesty's Government that it is an object much to be desired that all the British North American Colonies should agree to unite in one Government. In the territorial extent of Canada, and in the maritime and commercial enterprise of the Lower Provinces, Her Majesty's Government see elements of power which only require to be combined in order to secure for those

"Provinces which shall possess them all, a place among the most considerable communities of the world. * * * * Such an Union seems to Her Majesty's Government to recommend itself to the Provinces on many grounds of moral and material advantage, as giving well founded prospect of improved Administration and increased prosperity."—[Dispatch, 24th June, 1865.

THE HON. (NOW SIR) JOHN A. MACDONALD.—"He had, however, every reason to believe that the result of the Conference which held its sittings at Charlottetown, would lead to the formation and establishment of such a Federation of all the British North American Provinces as would tend very materially to enhance their individual and collective prosperity, politically, commercially and socially."—[Speech at Charlottetown, 8th Sept., 1864.

"In discussing the question of Colonial Union we must consider what is desirable and practical; we must consult local prejudices and aspirations. It is our desire to do so. I hope that we will be enabled to work out a Constitution that will have a strong Central Government, and at the same time will preserve for each Province its own identity and will protect every local ambition; and if we cannot do this we shall not be able to carry out the object we have in view. * * * * I will merely say, we are desirous of a Union with the Maritime Provinces on a fair and equitable basis; that we desire no advantage of any kind; that we believe the object in view will be as much in favor as against the Maritime Colonies."—[At Halifax, 12th Sept.

The Hon. (NOW SIR) GEORGE E. CARTIER.—"As to the question of Colonial Union * * he hoped and believed the result of their deliberations would end in a Grand Confederation of the British Provinces, such as must prove beneficial to all, and an injury to none."—[At Charlottetown.

"Gentlemen, you must not be afraid of us who come from Canada, because we represent a Country greater in respect to population and territory. Don't be afraid of us. Don't tell us to go back with all our offers of no avail,—don't tell us as it was formerly said of others—

"Timeo Danaos, et dona ferentes."

"Let me assure you that the promises we make are made in all sincerity and good faith; in urging Union upon you, we believe we are doing that which will be for your happiness and prosperity."—[At Halifax.

"But I know that in this City and elsewhere it is sought to turn public opinion against us by saying that if you have a local Government you must resort to direct taxation for the support of the Government. This would never be the case, for a Subsidy was to be paid by the General Government to each of the local Governments to cover their expences, and there would be some small items of local revenue, which would be sufficient."—[At Montreal, 29th Oct.

The Hon. GEORGE BROWN.—"Heretofore we had been known as separate Colonies, and the merits and disadvantages of each compared and set off against the other,—but with Union the advantages of each would pertain to the whole,—a citizen of one would be a citizen of all, and the foreign emigrant would come with very different feelings of confidence to our shores. * * * * On a survey of the whole case, I do think that there is no doubt as to the high

"advantages that would result from a Union of all the Colonies,—provided that the terms of Union could be found just to all the contracting parties, and so framed as to secure harmony in the future administration of affairs. That is the unanimous conclusion of the Conference. * * * * But it were wrong to conceal for a moment that the whole merit of the Scheme of Union may be completely marred by the character of its details."—[At Halifax.

"A new Conference would shortly take place in which all the details of a plan of Confederation would be examined with the greatest care, which, if it went into operation, would place us all on an equal footing as British Americans, instead of being as now sectional provincialists with divided interests."—At Saint John, 14th Sept.

"There is a very pleasing feature in the finance question: "A Confederation of five states is about to be formed, and it is to the credit of the whole that not one of them has ever been unable to meet its obligations to the day, and still further that the finances of all are now in such a satisfactory condition that every one of them has a large Surplus of revenue over expenditure for the current year."—[At Toronto, Nov. 2nd.

The Hon. (now Sir) A. T. GALT.—"We shall have a common interest in each others proceedings. * * * I don't wish that this audience should go away with the idea, that we Canadians in coming down here and bringing this subject before you are actuated by any other than feelings of patriotism."—[At Halifax.

"He hoped the discussion of this public question would induce gentlemen to look at it in all its bearings, and that they would find that what was good for Canada would be good for the Lower Provinces. He was sure they would look at this question not in a selfish point of view, but in one which has regard to the benefit of all. He believed that Union would be productive of good both to Canada and the Maritime Provinces. It was not a light thing for a people to trust their prosperity to others."—[At Montreal.

"I am confident this great Union will tend to the protection of all our interests."—[At Ottawa.

The Hon. Sir E. P. TACHE.—"Union would benefit us all—not merely this one or the other one, but the whole."—[At Quebec.

The Hon. T. D'ARCY MCGEE.—"The Maritime Delegates might say we (Canadians) desired this Union; that if Canada goes into it she goes into it for no small or selfish purpose; that the people of Canada are year by year becoming more liberal and enlightened in their views. * * * He was sure they might say to their constituents, that Canada would come into the Union with a view of securing their common prosperity and welfare."—[At Montreal.

The scope and tenor of the numerous Speeches delivered throughout New Brunswick, from 1864 to 1867, and during two Electioneering campaigns, on the question of Confederation, and breathing even more fully the "spirit" of the preceding extracts, are already quite familiar to Your Excellency.

The Hon. Mr. TRUTCH, while reviewing the negotiations of the Dominion Government with himself and his co-Delegates from British Columbia, said :
 "As soon as we came to consider the question of *Terms* we arrived at the conclusion, *that no Scheme based on the actual population of the Country was capable of being adopted; that it was simply impossible to proceed according to the strict terms of the British North America Act in this respect.* * * * * We then insisted that we must have a certain sum of money, and urged that it was *unwise to cut the means of the Colony down below the actual revenue required for necessary expenditures, as the Dominion would only ultimately find itself obliged to make a more liberal arrangement*, and we pointed out that the Colony was giving up the only elastic source of revenue which we have,—the Custom's Revenue,—the only source of revenue capable of meeting the growing requirements of the people, and that even if we got at first more Subsidy than our population entitled us to, *year by year, as our numbers increased, the Dominion would get the better bargain financially.* * * * * That was the conclusion arrived at by our Legislative Council in 1870, and urged upon your Government by the British Columbia Delegates," (the Pacific Railway) "*as the sine qua non of our Union.* We argued, 'if Canada is now ready to make this Railway then let us join her at once, if not we shall do better to stay as we are until she is prepared to undertake the responsibility of that enterprise.' * * * * *We have never been able to appreciate that we were bound by the British North America Act in the matter of Representation.*"

After a most patient and protracted hearing by the Honorable the Privy Council of each of the Undersigned, on the points referred to in their Letter of the 2nd instant, or indicated in other portions of this Report, the different items of the claims of New Brunswick were made matter of conversational discussion.

The Undersigned had the honor also of several interviews with the Honorable the President of the Privy Council, the Honorable the Minister of Justice, the Honorable the Minister of Finance, the Honorable the Minister of Customs, and the Honorable the Minister of Agriculture, and several members of the House of Commons, and on each occasion the claims of New Brunswick were fully discussed, but principally in relation to the different Departments.

It was, however, suggested by some of the Ministers during these individual Conferences, that many of the difficulties referred to might be redressed or removed by a "*Legislative Union of the Maritime Provinces of Nova Scotia and New Brunswick.*" The Undersigned felt it their duty, however, to decline anything like a quasi-official expression of their sentiments on the abstract question of such a Union, or the probable or improbable acceptance of it by the Province of New Brunswick; *first*, because they deemed the discussion of such a subject foreign to their present Mission, and as they were not in a position to express anything more than an opinion which could not possibly partake of a representative character; *second*, because they concluded and contended, that the matter of "*Better Terms*" for New Brunswick should

be considered and adjudged on its own merits, independently of any present or future determination or opinion of this Province on that of a Maritime Union; for while on the subject of "*Better Terms*" both branches of the Legislature of New Brunswick are united and unanimous, on that of the Union differences of opinion might and probably would arise; and that, in the present financial state and difficulties of this Province, it must occupy a most disadvantageous position in any negotiations with Nova Scotia on that subject, should the Legislature of New Brunswick desire or propose to proceed therein.

The Honorable PROVINCIAL SECRETARY was also favored with a lengthy interview with the Honorable Mr. MITCHELL, Minister of Marine and Fisheries, as the Minister was reluctantly compelled to leave Ottawa before the arrival of the Honorable SURVEYOR GENERAL and Mr. WEDDERBURN.

The Undersigned closed their labors at Ottawa, on *Thursday*, the *12th instant*, and left for New Brunswick on the following morning.

Before leaving Ottawa, the Undersigned were informed that several points raised by them had been referred to the Honorable Minister of Justice, the Honorable Minister of Finance, the Honorable Minister of Customs, and the Auditor General, respectively, and that immediately upon the return of the Honorable Messieurs LANGEVIN, HOWE and MITCHELL, (who were unavoidably absent,) the claims of New Brunswick to "*Better Terms*" would command the further consideration of the Privy Council; and the Undersigned expressed the desire to be heard, by Correspondence or otherwise, on any matter involved which might appear doubtful or uncertain before final decision thereon by the Privy Council. It was therefore arranged, that in such a case, Correspondence would be had with the Government of New Brunswick.

The Undersigned beg further to report, that the fullest and most courteous consideration was readily accorded to them at all the interviews referred to with the members of the Privy Council; and they have the pleasure to add, that, while exception was taken to some of the arguments presented, the equity of their case on behalf of New Brunswick was largely admitted,—the right of the Province to a full measure of justice under the circumstances conceded,—and the distinct assurance given that the Government will exercise all its power and influence to remove every just cause of local discontent and disquietude, and to make the Government and the Legislature and the people of New Brunswick satisfied as to their financial relations with the Dominion. The Privy Council reserved the right, on a full discussion and review of the whole case, to determine in what manner relief and reparation shall be afforded to this Province, without doing injustice to other portions of the Dominion. Giving, therefore, full confidence to such repeated acknowledgments and assurances, the Undersigned feel warranted in reporting to Your Excellency that the Privy Council of Canada will adopt such Measures for the relief of New Brunswick as shall be eminently satisfactory to Your Excellency in Council, to the Legislature and to the People, and at the same time give no just or fair cause of complaint to other portions of the Confederacy.

Finally, the Undersigned desire to acknowledge through Your Excellency

the many courtesies extended to them at all times by His Excellency LORD LISGAR and the Members of the Privy Council, and others, at Ottawa, while in the discharge of the duty devolved upon them; and to request Your Excellency will be pleased to cause a Copy of this Report to be transmitted to the Honorable the Secretary of State for Canada, to be laid before His Excellency the Governor General in Council.

While fully appreciating the magnitude, and the delicate and difficult nature, of the labor assigned to them by Your Excellency in Council,—and very willing, as Your Excellency was informed, to give place to others better qualified properly to perform it,—the Undersigned, upon receipt of Your Excellency's commands, felt it would be an unworthy abandonment of the position they had assumed deliberately on this subject in the Legislature, and a dereliction of duty to the Province, did they shrink from the work thus delegated to them. They beg, therefore, respectfully to assure Your Excellency that, while fully impressed with a sense of the imperfect manner in which they have discharged their duty, they have at least been actuated by a sincere and an earnest desire to secure a full measure of justice for the Province they were thus called upon to represent, and by a determination to allow no past political sentiments and no considerations of Party allegiance or attachment, to intervene between them and the attainment of that end.

Under these circumstances, they respectfully hope their humble labors may commend themselves to Your Excellency's most favorable consideration.

We have the honor to be,

Your Excellency's obd't servants,

GEORGE L. HATHEWAY,
BENJ. R. STEVENSON,
WM. WEDDERBURN.

FREDERICTON, NEW BRUNSWICK, October, 1871.